

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**BOARD OF EDUCATION
TOWNSHIP OF EWING
COUNTY OF MERCER, NEW JERSEY**

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Brian S. Falkowski, Ed. D., Board Secretary/School Business Administrator
and
The Finance Department of the Ewing Township Board of Education**

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INTRODUCTORY SECTION

EWING TOWNSHIP BOARD OF EDUCATION

2099 Pennington Road
Ewing, NJ 08618
609-538-9800

MICHAEL NITTI
Superintendent
of Schools

BRIAN S. FALKOWSKI, ED. D.
Board Secretary/
School Business Administrator

December 18, 2012

Honorable President and Members
of the Board of Education
Ewing Township School District
County of Mercer, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Ewing Township School District (District) for the fiscal year ended June 30, 2012. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement (GASB) 34. The District is required to adopt this financial reporting model which we believe will provide all users of this document with useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("The Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Ewing Township School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and includes the Managements Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.

- The Statistical Tables (Section) includes selected data on Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information and Operating Information of the School District, generally presented on a multi-year basis.
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" information related to this single audit, including the independent auditors report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Ewing Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 14. All funds and account groups of the District are included in this report. The Ewing Township Board of Education and its five schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 3,672 students, which is 19 students higher than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Increase/(Decrease)</u>
2011-12	3,672	(0.92)%
2010-11	3,706	(0.75)%
2009-10	3,734	(0.53)%
2008-09	3,754	(4.26)%
2007-08	3,921	(1.36)%

2) SCHOOL DISTRICT ORGANIZATION: Located in Mercer County, the Ewing Township School District receives children from Ewing Township grade levels K through 12. The municipality contains a land area of approximately 15.3 square miles.

An elected nine (9) member Board of Education (The "Board") serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money.

The Superintendent is the Chief Executive Officer of the School District, responsible to the Board for total educational and support operations. The Board Secretary is the Chief Financial Officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.

3) ECONOMIC CONDITIONS AND OUTLOOK: The economy of the Township of Ewing includes industrial, commercial and public entities. The Township's largest taxpayers include: New Jersey Manufacturers Insurance Company; Pfizer, Inc.; Mountainview Office Park/Jingoli; Educational Testing Service; Levin Properties (Capitol Plaza); Halston Builders Association; River's Edge Apartments; G F Princeton, LLC; INN America Hospitality/Marriott Courtyard and Lighthouse Ewing, LLC.

Some of the State and County facilities located in the Township are: The College of New Jersey, Marie H. Katzenbach School for the Deaf, New Jersey Department of Transportation, New Jersey State Police, Trenton Mercer Airport and Mercer County of Golf Course.

4) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

5) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statutes as detailed in "Notes to Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"), GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

6) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds. A schedule of insurance coverage is found in J-20.

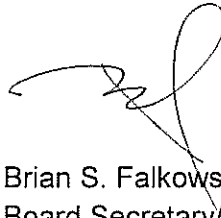
7) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants. Gerard Stankiewicz CPA, PSA of the firm of Samuel Klein and Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1996, as amended, and related U.S. Office of Management and Budget Circular, "Audits of State, Local Governments and Non-Profit Organizations" A-133 and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". The auditor's reports related specifically to the single audit are included in the single audit section of this report.

8) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Ewing Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. Additionally, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Nitti", with a stylized flourish at the end.

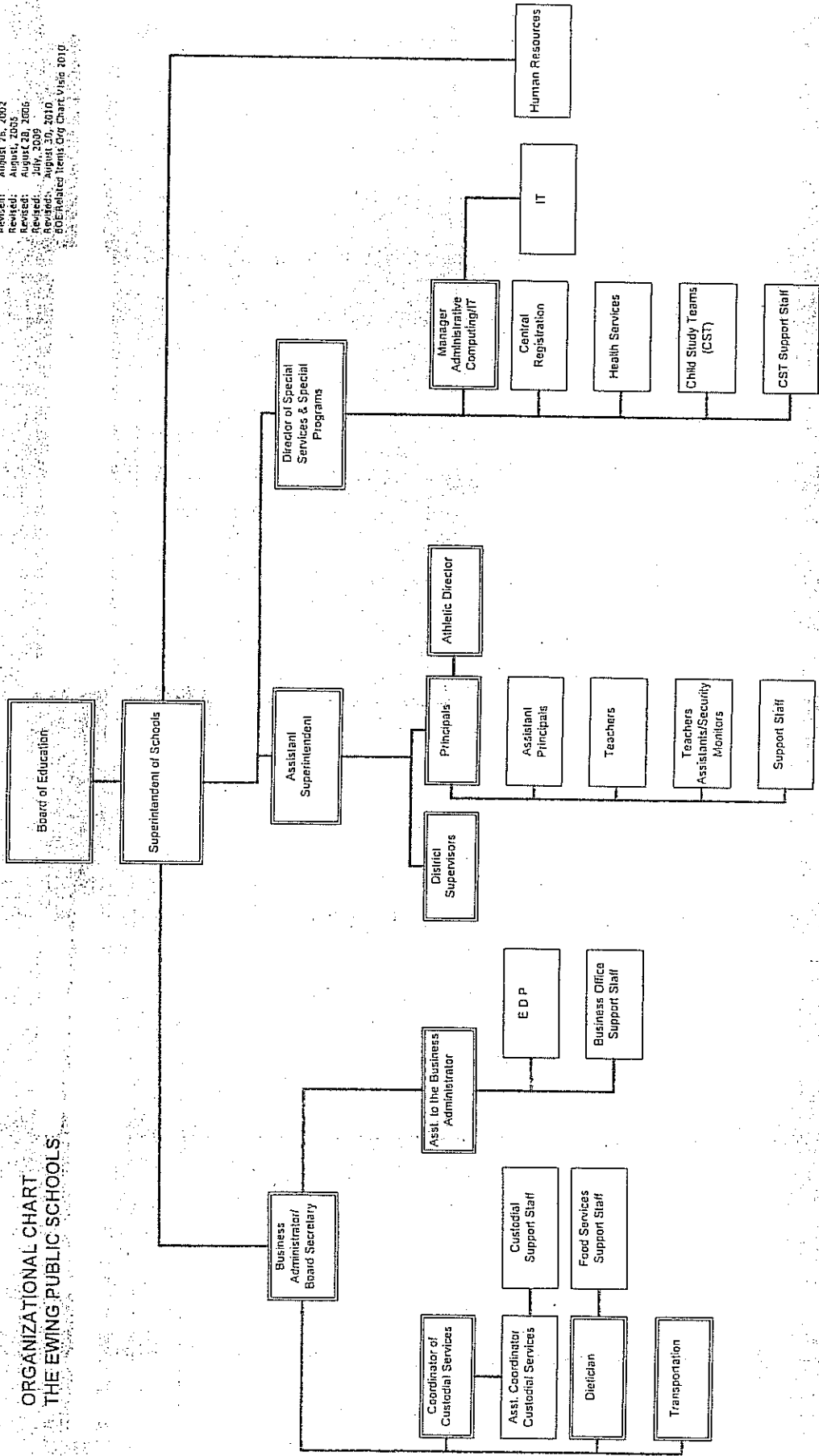
Michael Nitti
Superintendent of Schools

A handwritten signature in black ink, appearing to read "Brian S. Falkowski", with a large loop at the end.

Brian S. Falkowski, Ed.D.
Board Secretary/School Business Administrator

ORGANIZATIONAL CHART THE EWING PUBLIC SCHOOLS

Approved: January 1st, 2002
 Revised: August 15, 2002
 Revised: August 2003
 Revised: July 2006
 Revised: July 2009
 Revised: August 30, 2010
 BOE Related Items Org Chart, Visio 2010



**EWING TOWNSHIP BOARD OF EDUCATION
2099 PENNINGTON ROAD
EWING, NEW JERSEY 08618**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Mrs. Karen A. McKeon, President	2012
Dr. Ruth J. Palmer, Vice President	2012
Mr. Carl Benedetti, Jr.	2014
Ms. Maria C. Benedetti	2014
Mr. Kenneth J. Bradley, Sr.	2012
Mr. Kevin J. Ewell	2014
Mr. Anthony D. Mack	2013
Mrs. Stephanie Staub	2013
Mr. Bruce J. White	2013

OTHER OFFICIALS

Michael Nitti, Superintendent

Brian S. Falkowski, Ed. D., School Business Administrator/Board
Secretary

Jill Liedtka, Treasurer of School Monies

**EWING TOWNSHIP BOARD OF EDUCATION
2099 PENNINGTON ROAD
EWING, NEW JERSEY 08618**

CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
14000 F. Commerce Parkway
Mt. Laurel, NJ 08043-2493

AUDIT FIRM

Gerard Stankiewicz, CPA, PSA
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OFFICIAL DEPOSITORY

Wells Fargo Bank
Pennington Road & Olden Avenue
Ewing, New Jersey 08638

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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PHONE (732) 780-2600
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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Ewing Township Board of Education
County of Mercer, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities each major fund and the aggregate remaining fund information of the Board of Education of the Ewing Township School District, County of Mercer, State of New Jersey, as of and for the year ended June 30, 2012 which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Board of Education of the Ewing Township School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the Ewing Township School District, as of June 30, 2012, and the respective changes in financial position and cash flows where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2012, on our consideration of the Board of Education of the Ewing Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

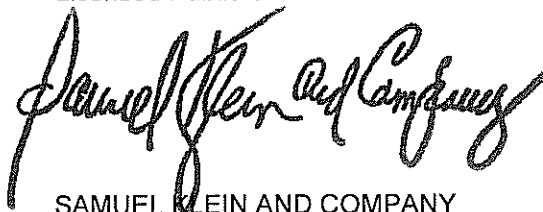
The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 22 and 68 through 83 are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ewing Township School District Board of Education's financial statements. The accompanying introductory section, other supplementary information such as the combining fund and individual financial fund statements, long term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and long term debt schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in the relation to the financial statements taken as a whole. The introductory section, financial schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912


SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 18, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

EWING TOWNSHIP BOARD OF EDUCATION

2099 Pennington Road
Ewing, NJ 08618
609-538-9800

MICHAEL NITTI
Superintendent
of Schools

BRIAN S. FALKOWSKI, ED. D.
Board Secretary/
School Business Administrator

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED

Management's Discussion and Analysis

The discussion and analysis of Ewing Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

Financial Highlights

Key financial highlights for 2011-2012 are as follows:

In total, net assets totaled \$1,081,808, which represents a \$4,446,892 decrease from 2011.

General revenues accounted for \$70,690,657 in revenue or 98.38% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,164,967 or 1.62% of total revenues of \$71,855,624.

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

Total assets of governmental activities, exclusive of capital projects increased by \$1,513,224 as cash and cash equivalents decreased by \$1,021,993 receivables increased by \$3,283,783 and current liabilities decreased by \$148,304, a delay in state aid payments, reduced State Aid and increased expenditures caused this condition.

The District had \$67,551,551 in expenses; only \$3,210,321 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and federal and state aid) of \$70,690,657 were adequate to provide for these programs.

Among major funds, the General Fund had \$61,888,932 in revenues and \$59,798,415 in expenditures. The General Fund's fund balance increased \$2,090,517 over 2011. The General Fund's fund balance is \$7,825,199. The increase was caused primarily by local tax levy revenue.

The Special Revenue Fund had \$2,137,782 in revenue and expenditures.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ewing Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the Ewing School District, the General Fund is by far the most significant.

Reporting the School District as a Whole

Comparative Statement of Net Assets and Comparative Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?". The Comparative Statement of Net Assets and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. These bases of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes to those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

In the Comparative Statement of Net Assets and the Comparative Statement of Activities, the School District is divided into two kinds of activities:

Governmental Activities — All of the School District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business Type Activities — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund and the Extended Day Program are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statement

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and the Permanent Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 34 to 67 of this report.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of government's financial position.

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The Statement of Net Assets provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net assets for 2012 and 2011.

Table 1 – Comparative Summary of Net Assets

Assets	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 22,994,325	\$ 23,263,799
Capital Assets, Net	<u>20,003,530</u>	<u>29,679,249</u>
Total Assets	<u>\$ 42,997,855</u>	<u>\$ 52,943,048</u>
Liabilities		
Long-Term Liabilities	\$ 33,918,329	\$ 39,985,746
Other Liabilities	<u>7,997,718</u>	<u>7,428,602</u>
Total Liabilities	<u>\$ 41,916,047</u>	<u>\$ 47,414,348</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 65,282	\$ 73,448
Restricted	1,006,547	5,633,968
Unrestricted	<u>9,979</u>	<u>(178,716)</u>
Total Net Assets	<u>\$ 1,081,808</u>	<u>\$ 5,528,700</u>

The District's combined net assets were \$1,081,808 as of June 30, 2012. This is a decrease in net assets of \$4,446,892 from the prior year and is primarily related to an increase in revenue and expenses; however, offset by a significant reduction due to a permanent adjustment to fixed assets.

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net assets from fiscal year 2012 and 2011.

Table 2 – Comparative Changes in Net Assets

	2012	2011	Total % Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,300,063	\$ 1,429,521	-9.06%
Operating Grants and Contributions	1,544,285	1,439,103	7.31%
General Revenues:			
Property Taxes	53,447,792	52,680,975	1.46%
Grants and Entitlements - Operating	15,802,598	14,268,387	10.75%
Grants Proceeds	359,516	294,324	22.15%
Donated Fixed Assets	791,195	244,536	NM
Tuition	365,972	483,774	-24.35%
Miscellaneous	289,557	420,747	-31.18%
Total Revenues	\$ 73,900,978	\$ 71,261,366	3.70%
Program Expenses:			
Instruction	\$ 24,937,178	\$ 23,986,175	3.96%
Support Services:			
Tuition	2,940,463	3,063,509	-4.02%
Attendance and Social Work Services	192,438	186,152	3.38%
Health Services	696,547	767,682	-9.27%
Student and Instruction Related Services	4,378,773	4,750,846	-7.83%
Educational Media Services/School Library	445,647	401,944	10.87%
Instructional Staff Training	8,380	6,684	25.37%
School Administration	671,631	547,941	22.57%
General Administration	3,198,545	3,125,511	2.34%
Operations and Maintenance of Facilities	4,816,906	4,310,875	11.74%
Pupil Transportation	3,010,490	2,824,246	6.59%
Unallocated Benefits	16,514,085	15,594,683	5.90%
Transfer to Charter School	9,583	32,114	-70.16%
Scholarships Awarded	1,000	1,000	0.00%
Interest on Debt	1,694,287	1,900,019	-10.83%
Increase in Compensated Absences	49,386	(87,666)	-156.33%
Unallocated Depreciation	1,811,020	1,181,668	53.26%
Amortization of Bond Issuance Costs	24,443	24,443	0.00%
Amortization of Loss on Early Retirement of Debt	126,336	126,336	0.00%
Food Service	1,627,112	1,256,787	29.47%
Extended Day Program	397,301	434,807	-8.63%
Total Expense	\$ 67,551,551	\$ 64,435,754	4.84%

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

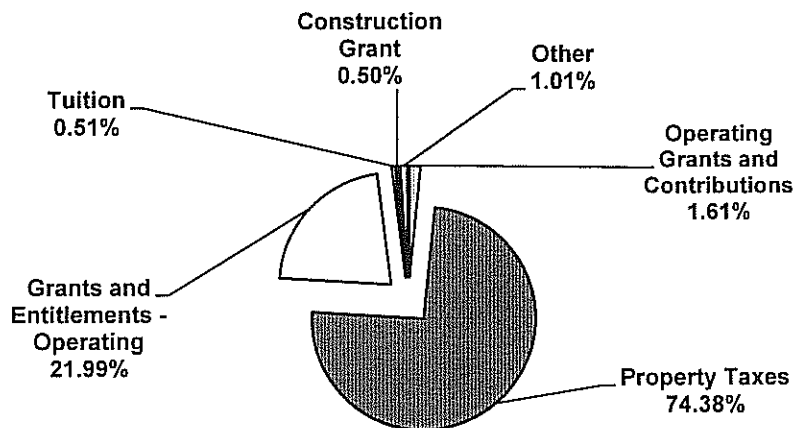
**Table 2 – Comparative Changes in Net Assets
(Continued)**

	2012	2011
Increase/(Decrease) in Net Assets before Special Items	\$ 6,349,427	\$ 6,825,612
Add: Special and Extraordinary Items	<u>(10,796,319)</u>	
Increase/(Decrease) in Net Assets	(4,446,892)	6,825,612
Beginning Net Assets (as adjusted)	<u>5,528,700</u>	<u>(1,296,912)</u>
Ending Net Assets	<u><u>\$ 1,081,808</u></u>	<u><u>\$ 5,528,700</u></u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$53,447,792 made up 74.38% percent of revenue for governmental activities for the Ewing School District for fiscal year 2012. The District's total revenues were \$71,855,624 for the year ended June 30, 2012. Federal, state and local grants for operating purposes of \$15,802,598 accounted for another 21.99% of revenue.

Revenue for Fiscal Year 2012



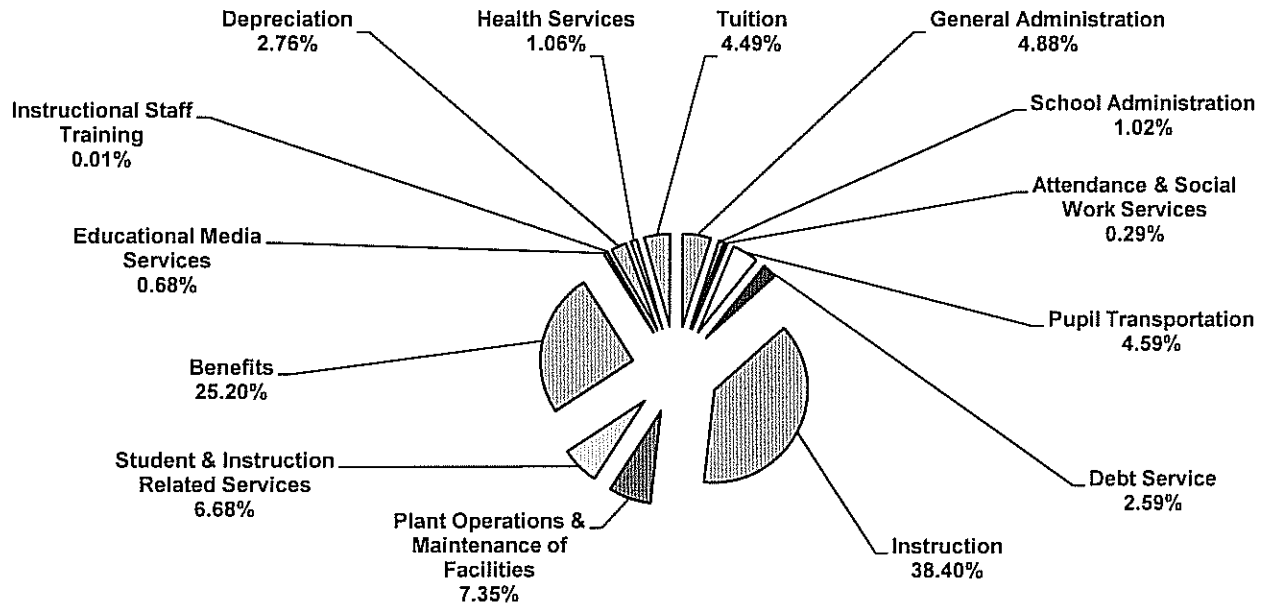
EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

The total cost of all programs and services was \$65,527,139.

Expenses for Fiscal Year 2012



EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

Business-Type Activities

Food Service

Revenues for the District's business-type activities food service program were comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenue by \$61,410.

Charges for services represent \$820,410 or 52.39% of revenue. This represents amounts paid by Patrons for daily food service, as well as special functions.

Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$745,291.

Extended Day Program

Revenues for the District's business-type activities extended day program were comprised of charges for services.

Extended day program service revenues exceeded expenses by \$82,352.

Charges for services represent \$479,653 or 100% of revenue. This represents amounts paid by parents for extended day coverage for their children.

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

Governmental Activities

The Comparative Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 - Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	<u>2011-2012</u>	<u>2010-2011</u>	<u>Percent Change</u>	<u>2011-2012</u>	<u>2010-2011</u>	<u>Percent Change</u>
Instruction	\$ 24,937,178	\$ 23,986,175	3.96%	\$ 24,571,205	\$ 23,502,401	4.55%
Support Services:						
Tuition	2,940,463	3,063,509	-4.02%	2,940,463	3,063,509	-4.02%
Attendance & Social						
Work Services	192,438	186,152	3.38%	192,438	186,152	3.38%
Health Services	696,547	767,682	-9.27%	696,547	767,682	-9.27%
Student & Instruction						
Related Services	4,378,773	4,750,846	-7.83%	4,378,773	4,750,846	-7.83%
Educational Media Services/						
School Library	445,647	401,944	10.87%	445,647	401,944	10.87%
Instructional Staff Training	8,380	6,684	25.37%	8,380	6,684	25.37%
School Administration	671,631	547,941	22.57%	671,631	547,941	22.57%
General Administration	3,198,545	3,125,511	2.34%	3,198,545	3,125,511	2.34%
Operation and Maintenance						
of Facilities	4,816,906	4,310,875	11.74%	4,816,906	4,310,875	11.74%
Pupil Transportation	3,010,490	2,824,246	6.59%	3,010,490	2,824,246	6.59%
Unallocated Benefits	16,514,085	15,594,683	5.90%	16,514,085	15,594,683	5.90%
Transfer to Charter School	9,583	32,114	-70.16%	9,583	32,114	-70.16%
Scholarships Awarded	1,000	1,000		1,000	1,000	
Increase in Compensated						
Absences	49,386	(87,666)	-156.33%	49,386	(87,666)	-156.33%
Unallocated Depreciation	1,811,020	1,181,668	53.26%	1,811,020	1,181,668	53.26%
Amortization of Bond						
Issuance Costs	24,443	24,443		24,443	24,443	
Amortization of Loss on						
Early Retirement of Debt	126,336	126,336		126,336	126,336	
Interest on Debt	1,694,287	1,900,019	-10.83%	895,293	1,098,003	-18.46%
Total Expenses	<u>\$ 65,527,138</u>	<u>\$ 62,744,160</u>	<u>4.44%</u>	<u>\$ 64,362,171</u>	<u>\$ 61,458,370</u>	<u>4.72%</u>

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business operations include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School district.

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, permanent fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$70,704,913 and expenditures were \$68,615,390, exclusive of the capital projects fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2012 and June 30, 2011, and the amount of increase and decreases in relation to prior year revenues.

Comparative Summary of Revenues

Revenue	2011-2012		2010-2011		Increase/ (Decrease) from 2010-2011 to 2011-2012
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 53,447,792	75.58%	\$ 52,680,975	76.74%	\$ 766,817
State Sources	14,191,605	20.07%	12,794,165	18.64%	1,397,440
Federal Sources	2,409,987	3.41%	2,276,238	3.32%	133,749
Miscellaneous	655,529	0.93%	904,521	1.32%	(248,992)
	<u>\$ 70,704,913</u>	<u>100.00%</u>	<u>\$ 68,655,899</u>	<u>100.00%</u>	<u>\$ 2,049,014</u>

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

Local revenues increased primarily because of an increase in the tax levy.

Federal revenues increased due to the fact that the Education Jobs Fund was provided.

State revenue increased primarily due to an increase of state aid in the general fund and on behalf pension payments were made in 2011-2012 and not in the prior two (2) years.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund exclusive of capital lease expenditures for the fiscal years ended June 30, 2012 and June 30, 2011, and the increases and decreases in relation to prior year amounts.

Comparative Summary of Expenditures

<u>Expenditures</u>	<u>2011-2012</u>		<u>2010-2011</u>		Increase/ (Decrease) from 2010-2011 to 2011-2012
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Current Expense:					
Instruction	\$ 26,179,715	38.15%	\$ 25,223,053	37.23%	\$ 956,662
Undistributed Expenditures	35,493,905	51.73%	34,285,071	50.61%	1,208,834
Capital Outlay	252,995	0.37%	1,542,138	2.28%	(1,289,143)
Charter Schools	9,583	0.01%	32,114	0.05%	(22,531)
Scholarships Awarded	1,000	0.00%	1,000	0.00%	0
Debt Service:					
Principal	5,035,000	7.34%	4,810,000	7.10%	225,000
Interest	1,643,192	2.39%	1,847,681	2.73%	(204,489)
	<u>\$ 68,615,390</u>	<u>100.00%</u>	<u>\$ 67,741,056</u>	<u>100.00%</u>	<u>\$ 874,334</u>

Changes in expenditures were the results of varying factors. Current expense increased due to increase in health benefits and utility costs.

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law, and is based on accounting for certain transactions on a cash basis of receipts, disbursements and encumbrances. The most significant fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. There were no significant budget adjustments during the year.

Capital Assets

At the end of the fiscal year 2012, the School District had \$46,555,629 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2012 balances compared to 2011.

Table 4 - Capital Assets (Net of Depreciation) at June 30

	<u>2012</u>	<u>2011</u>
Land	\$ 688,921	\$ 688,921
Construction in Progress		694,823
Vehicles	111,488	106,773
Site Improvements	1,740,016	1,461,853
Buildings and Improvements	16,067,986	25,140,006
Machinery and Equipment	<u>1,329,837</u>	<u>1,513,426</u>
Totals	\$ <u>19,938,248</u>	\$ <u>29,605,802</u>

Overall capital assets (net) decreased from fiscal year 2011 (as adjusted) to fiscal year 2012. The decrease in capital assets is primarily due to retirements in excess of fixed asset additions caused by an adjustment to the total fixed assets based on an internal review.

Debt Administration

At June 30, 2012, the School District had \$40,575,010 of outstanding debt. Of this amount \$1,347,541 is for compensated absences; \$3,842,469 is for various capital leases and \$35,385,000 is for serial bonds for school construction and retirement funding.

EWING TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED – (CONTINUED)

For the Future

The Ewing Township School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District. However, future finances are not without challenges as the community continues to grow and the funding from the State continues to be unsure.

The Ewing Township School District has committed itself to financial excellence for many years. In addition, the School district's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Dr. Brian S. Falkowski, School Business Administrator/Board Secretary, at the Ewing Township School District, 2099 Pennington Road, Ewing Township, NJ 08618.

Respectfully submitted,



Michael Nitti
Superintendent of Schools



Brian S. Falkowski, Ed.D.
Board Secretary/School Business Administrator

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,017,975.58	\$ 529,382.69	\$ 4,547,358.27
Receivables, Net	4,701,009.12	80,447.12	4,781,456.24
Inventory		31,567.96	31,567.96
Prepaid Retirement	11,995,000.00		11,995,000.00
Restricted Assets:			
Cash and Cash Equivalents	245,663.82		245,663.82
Grants Receivable	653,839.18		653,839.18
Unamortized Loss on Early Retirement of Debt	625,925.00		625,925.00
Deferred Bond Issuance Costs, Net	113,515.00		113,515.00
Capital Assets, Net	<u>19,938,248.29</u>	<u>65,281.64</u>	<u>20,003,529.93</u>
Total Assets	<u>\$ 42,291,175.99</u>	<u>\$ 706,679.41</u>	<u>\$ 42,997,855.40</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 606,108.51	\$ 21,225.68	\$ 627,334.19
Intergovernmental Accounts Payable	34,752.83		34,752.83
Deferred Revenue	207,075.28	15,461.77	222,537.05
Deposit Payable	100.00		100.00
Accrued Interest Payable	456,312.98		456,312.98
Noncurrent Liabilities:			
Due Within One Year	6,656,681.97		6,656,681.97
Due Beyond One Year	<u>33,918,328.25</u>		<u>33,918,328.25</u>
Total Liabilities	<u>\$ 41,879,359.82</u>	<u>\$ 36,687.45</u>	<u>\$ 41,916,047.27</u>
<u>NET ASSETS</u>			
Invested in Capital Assets - Net of Related Debt		\$ 65,281.64	\$ 65,281.64
Restricted for:			
Permanent Endowment - Nonexpendable	\$ 7,528.06		7,528.06
Capital Reserve	937,718.96		937,718.96
Other Purposes	61,300.47		61,300.47
Unrestricted	<u>(594,731.32)</u>	<u>604,710.32</u>	<u>9,979.00</u>
Total Net Assets	<u>\$ 411,816.17</u>	<u>\$ 669,991.96</u>	<u>\$ 1,081,808.13</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 16,356,340.97			\$ (16,356,340.97)		\$ (16,356,340.97)
Special Education	7,481,011.25	\$ 365,972.75		(7,115,038.50)		(7,115,038.50)
Other Special Education	242,257.70			(242,257.70)		(242,257.70)
Other Instruction	857,568.14			(857,568.14)		(857,568.14)
Support Services & Undistributed Costs:						
Tuition	2,940,462.99			(2,940,462.99)		(2,940,462.99)
Attendance & Social Work Services	192,438.05			(192,438.05)		(192,438.05)
Health Services	696,546.98			(696,546.98)		(696,546.98)
Student & Instruction Related Services	4,378,773.02			(4,378,773.02)		(4,378,773.02)
Educational Media Services/School Library	445,647.24			(445,647.24)		(445,647.24)
Instructional Staff Training	8,380.15			(8,380.15)		(8,380.15)
School Administrative Services	671,630.82			(671,630.82)		(671,630.82)
Other Administrative Services	3,198,545.07			(3,198,545.07)		(3,198,545.07)
Plant Operations & Maintenance	4,816,905.92			(4,816,905.92)		(4,816,905.92)
Pupil Transportation	3,010,489.83			(3,010,489.83)		(3,010,489.83)
Unallocated Benefits	16,514,085.29			(16,514,085.29)		(16,514,085.29)
Transfer to Charter Schools	9,583.00			(9,583.00)		(9,583.00)
Scholarships Awarded	1,000.00			(1,000.00)		(1,000.00)
Interest on Long Term Debt	1,694,287.20		\$ 798,994.00	(895,293.20)		(895,293.20)
Decrease in Compensated Absences	49,386.45			(49,386.45)		(49,386.45)
Unallocated Depreciation	1,811,019.52			(1,811,019.52)		(1,811,019.52)
Amortization of Bond Issuance Costs	24,443.00			(24,443.00)		(24,443.00)
Amortization of Loss on Early Retirement of Debt	126,336.00			(126,336.00)		(126,336.00)
Total Governmental Activities	\$ 65,527,138.59	\$ 365,972.75	\$ 798,994.00	\$ (64,362,171.84)		\$ (64,362,171.84)
Business-Type Activities:						
Food Service	\$ 1,627,111.96	\$ 820,410.35	\$ 745,291.18		\$ (61,410.43)	\$ (61,410.43)
Extended Day Program	397,300.96	479,653.12			82,352.16	82,352.16
Total Business-Type Activities	\$ 2,024,412.92	\$ 1,300,063.47	\$ 745,291.18		\$ 20,941.73	\$ 20,941.73
Total Primary Government	\$ 67,551,551.51	\$ 1,666,036.22	\$ 1,544,285.18	\$ (64,362,171.84)	\$ 20,941.73	\$ (64,341,230.11)
General Revenues						
Property Taxes Levied for:						
General Purposes				\$ 47,568,592.00		\$ 47,568,592.00
Debt Service				5,879,200.00		5,879,200.00
Federal and State Aid Not Restricted				15,802,597.95		15,802,597.95
Donated Fixed Assets				791,195.30		791,195.30
Miscellaneous Income				289,556.13		289,556.13
Grant Proceeds				359,515.63		359,515.63
Total General Revenues				\$ 70,690,657.01		\$ 70,690,657.01
Change in Net Assets				\$ 6,328,485.17	\$ 20,941.73	\$ 6,349,426.90
Fixed Assets Adjustment				(10,796,318.60)		(10,796,318.60)
Net Assets - Beginning				\$ 4,879,649.60	\$ 649,050.23	\$ 5,528,699.83
Net Change (Loss)				\$ (4,467,833.43)	\$ 20,941.73	\$ (4,446,891.70)
Net Assets - Ending				\$ 411,816.17	\$ 669,991.96	\$ 1,081,808.13

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 375,121.91		\$ 3.16		\$ 7,528.06	\$ 382,653.13
Cash with Fiscal Agents				\$ 245,663.82		245,663.82
Receivables from Other Governments	4,004,874.04	\$ 506,054.12	1.73	653,839.18		5,164,769.07
Interfund Receivable	91,903.17					91,903.17
Other Receivables	58,093.50			40,082.56		98,176.06
Capital Reserve Account	<u>3,731,746.13</u>					<u>3,731,746.13</u>
Total Assets	<u>\$ 8,261,738.75</u>	<u>\$ 506,054.12</u>	<u>\$ 4.89</u>	<u>\$ 939,585.56</u>	<u>\$ 7,528.06</u>	<u>\$ 9,714,911.38</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Cash and Cash Equivalents (Overdraft)		\$ 96,423.68				\$ 96,423.68
Accounts Payable	\$ 436,439.58	167,802.33		\$ 1,866.60		606,108.51
Intergovernmental Accounts Payable		34,752.83				34,752.83
Deposit Payable	100.00					100.00
Deferred Revenue		<u>207,075.28</u>				<u>207,075.28</u>
Total Liabilities	<u>\$ 436,539.58</u>	<u>\$ 506,054.12</u>		<u>\$ 1,866.60</u>		<u>\$ 944,460.30</u>
Fund Balances						
Committed for Year End - Encumbrances	\$ 88,975.40			\$ 153,985.98		\$ 242,961.38
Restricted:						
Capital Reserve	3,731,746.13					3,731,746.13
Maintenance Reserve	1,000,000.00					1,000,000.00
Assigned Excess Surplus - Designated for Subsequent Year's Expenditures	1,281,281.00			783,732.98		2,065,013.98
Excess Surplus	614,079.00					614,079.00
Unassigned:						
General Fund	1,109,117.64					1,109,117.64
Debt Service Fund			\$ 4.89			4.89
Permanent Fund					\$ 7,528.06	<u>7,528.06</u>
Total Fund Balances	<u>\$ 7,825,199.17</u>		<u>\$ 4.89</u>	<u>937,718.96</u>	<u>\$ 7,528.06</u>	<u>\$ 8,770,451.08</u>
Total Liabilities and Fund Balance	<u>\$ 8,261,738.75</u>	<u>\$ 506,054.12</u>	<u>\$ 4.89</u>	<u>939,585.56</u>	<u>\$ 7,528.06</u>	<u>\$ 9,714,911.38</u>

See accompanying notes to financial statements.

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2012

Total
Governmental
Funds

Total Fund Balances above \$ 8,770,451.08

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

The costs associated with the issuance of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The costs are as follows: (see Note 6)

Bond Issuance Costs	\$ 314,489.00	
Less - Accumulated Amortization	<u>(200,974.00)</u>	113,515.00
Loss on Refinancing	1,860,511.00	
Less - Accumulated Amortization	<u>(1,234,586.00)</u>	625,925.00

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is \$46,555,628.93 and the accumulated depreciation is \$26,617,380.04. (see Note 5)

19,938,248.29

Long-term liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. The costs are as follows: (see Note 8)

Total Long Term Liabilities	\$ (40,575,010.22)	
Less - Related to Early Retirements Debt	<u>11,995,000.00</u>	(28,580,010.22)

Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:

Accrued Interest Payable		
(Accrued interest is a current liability that will be paid from the debt service fund.		
Therefore, the liability reduces the restricted for debt service net asset balance.)		
		<u>(456,312.98)</u>

Net assets of governmental activities (A-1) \$ 411,816.17

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Total Government Funds
REVENUES						
Local sources:						
Local tax levy	\$ 47,568,592.00		\$ 5,879,200.00			\$ 53,447,792.00
Tuition	365,972.75					365,972.75
Miscellaneous	248,463.54	\$ 41,088.24			\$ 4.35	289,556.13
Total - Local Sources	\$ 48,183,028.29	\$ 41,088.24	\$ 5,879,200.00		\$ 4.35	\$ 54,103,320.88
State Sources	13,264,060.65	128,550.18	798,994.00			14,191,604.83
Federal Sources	441,843.21	1,968,143.91				2,409,987.12
Total Revenues	\$ 61,888,932.15	\$ 2,137,782.33	\$ 6,678,194.00		\$ 4.35	\$ 70,704,912.83
EXPENDITURES						
Current:						
Regular Instruction	\$ 17,598,877.19					\$ 17,598,877.19
Special Education Instruction	5,970,743.83	\$ 1,510,267.42				7,481,011.25
Other Special Instruction	242,257.70					242,257.70
Other Instruction	857,568.14					857,568.14
Support Services and Undistributed Costs:						
Tuition	2,940,462.99					2,940,462.99
Attendance & Social Work Services	192,438.05					192,438.05
Health Services	696,546.98					696,546.98
Student & Instruction Related Services	3,773,253.11	605,519.91				4,378,773.02
Education Media Services/School Library	445,647.24					445,647.24
Instructional Staff Training	8,380.15					8,380.15
School Administrative Services	671,630.82					671,630.82
Other Administrative Services	3,198,545.07					3,198,545.07
Plant Operations & Maintenance	4,816,905.92					4,816,905.92
Pupil Transportation	3,010,489.83					3,010,489.83
Unallocated Benefits	15,134,085.29					15,134,085.29
Debt Service:						
Principal			\$ 5,035,000.00			5,035,000.00
Interest			1,643,192.27			1,643,192.27
Capital Outlay	231,000.00	21,995.00		\$ 2,095,670.25		2,348,665.25
Transfer to Charter School	9,583.00					9,583.00
Scholarships Awarded					\$ 1,000.00	1,000.00
Total Expenditures	\$ 59,798,415.31	\$ 2,137,782.33	\$ 6,678,192.27	\$ 2,095,670.25	\$ 1,000.00	\$ 70,711,060.16
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 2,090,516.84		\$ 1.73	\$ (2,095,670.25)	\$ (995.65)	\$ (6,147.33)
Other Financing Sources/(Uses):						
Grant Proceeds				\$ 359,515.63		\$ 359,515.63
Lease Proceeds				500,000.00		500,000.00
Adjustment for prior grants balances				74,372.77		74,372.77
Total Other Financing Sources (Uses)				\$ 933,888.40		\$ 933,888.40
Net Change in Fund Balances	\$ 2,090,516.84		\$ 1.73	\$ (1,161,781.85)	\$ (995.65)	\$ 927,741.07
Fund Balance - July 1	5,734,682.33		3.16	2,099,500.81	8,523.71	7,842,710.01
Fund Balance - June 30	\$ 7,825,199.17		\$ 4.89	\$ 937,718.96	\$ 7,528.06	\$ 8,770,451.08

See accompanying notes to financial statements.

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 927,741.07

Amounts Reported for Governmental Activities in the Statement of Activities
(A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$ 2,348,665.25	
Less: Lease Payments - Capital Outlay	(200,000.00)	
Donated Assets	791,195.30	
Depreciation expense	(1,811,019.52)	
Fixed Asset Adjustment	(10,796,318.00)	
Other Adjustment	31,762.66	(9,635,714.31)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Bonds - Principal Paid	5,035,000.00	
Less - Early Retirement Bonds Paid	(1,380,000.00)	3,655,000.00

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Capital Lease Proceeds	500,000.00	(500,000.00)
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Debt issuance cost are reported in the Governmental Funds as Expenditures in the year of issuance. On the Statement of activities: Issuing Debt Increases Long-Term Liabilities:

Amortization of Debt Issuance Costs	(24,443.00)	
Amortization of Loss on Debt Refinancing	(126,336.00)	(150,779.00)

Repayment of lease principal is an expenditure in the governmental funds, but the payment reduces long-term debt in the statement of net assets and is not reported in the statement of activities.

1,147,136.36

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation.

70,007.94

In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

18,774.51

Change in Net Assets of Governmental Activities \$ (4,467,833.43)

See accompanying notes to financial statements.

PROPRIETARY FUNDS

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Food Service</u>	<u>Extended Day Program</u>	<u>Total Enterprise</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 263,979.46	\$ 265,403.23	\$ 529,382.69
Receivables from Other Governments	41,038.45		41,038.45
Other Receivables	29,367.75	10,040.92	39,408.67
Inventory	31,567.96		31,567.96
Total current assets	\$ 365,953.62	\$ 275,444.15	\$ 641,397.77
<u>NON-CURRENT ASSETS</u>			
Furniture, machinery and equipment	\$ 392,926.00		\$ 392,926.00
Less: accumulated depreciation	327,644.36		327,644.36
Total noncurrent assets	\$ 65,281.64		\$ 65,281.64
Total assets	\$ 431,235.26	\$ 275,444.15	\$ 706,679.41
<u>LIABILITIES</u>			
Accounts Payable	\$ 18,400.89	\$ 2,824.79	\$ 21,225.68
Deferred Revenue	15,461.77		15,461.77
Total current liabilities	\$ 33,862.66	\$ 2,824.79	\$ 36,687.45
<u>NET ASSETS</u>			
Invested in capital assets	\$ 65,281.64		\$ 65,281.64
Unrestricted	332,090.96	272,619.39	604,710.35
Total net assets	\$ 397,372.60	\$ 272,619.39	\$ 669,991.99

See accompanying notes to financial statements.

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities Enterprise Fund		
	<u>Food Service</u>	<u>Extended Day Program</u>	<u>Total Enterprise</u>
<u>OPERATING REVENUES</u>			
Charges for Services:			
Daily Sales	\$ 820,410.35		\$ 820,410.35
User Fees		\$ 479,653.12	479,653.12
Total operating revenues	\$ 820,410.35	\$ 479,653.12	\$ 1,300,063.47
<u>OPERATING EXPENSES</u>			
Cost of sales	\$ 604,593.75		\$ 604,593.75
Salaries	718,469.71	\$ 347,752.97	1,066,221.68
Employee benefits	179,169.36	4,072.00	183,241.36
Miscellaneous	44,989.87	1,572.69	46,562.56
General Supplies	71,723.27	43,903.30	115,626.57
Depreciation	8,166.00		8,166.00
Total operating expenses	\$ 1,627,111.96	\$ 397,300.96	\$ 2,024,412.92
Operating income/(loss)	\$ (806,701.61)	\$ 82,352.16	\$ (724,349.45)
<u>NONOPERATING REVENUES</u>			
State sources:			
State school lunch program	\$ 17,180.17		\$ 17,180.17
Federal sources:			
National school lunch program	557,869.68		557,869.68
National school breakfast program	69,581.39		69,581.39
Food distribution program	100,659.94		100,659.94
Total nonoperating revenues	\$ 745,291.18		\$ 745,291.18
Income/(loss) before contributions and transfers	\$ (61,410.43)	\$ 82,352.16	\$ 20,941.73
Change in net assets	\$ (61,410.43)	\$ 82,352.16	\$ 20,941.73
Total net assets - beginning	458,783.03	190,267.20	649,050.23
Total net assets - ending	\$ 397,372.60	\$ 272,619.36	\$ 669,991.96

See accompanying notes to financial statements.

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Food Service</u>	<u>Extended Day Programs</u>	<u>Total Enterprise</u>
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 817,410.52	\$ 482,317.04	\$ 1,299,727.56
Payments to Employees	(897,639.07)	(351,824.97)	(1,249,464.04)
Payments to Suppliers	(609,261.37)	(42,480.06)	(651,741.43)
Net Cash Provided by/(Used for) Operating Activities	\$ (689,489.92)	\$ 83,940.01	\$ (605,549.91)
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 68,832.52		\$ 68,832.52
Federal Sources	573,421.24		573,421.24
Net Cash Provided by/(Used for) Non-capital Financing Activities	\$ 642,253.76		\$ 642,253.76
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (47,236.16)	\$ 83,940.01	\$ 36,703.85
Balances - Beginning of Year	311,215.62	181,463.22	492,678.84
Balances - End of Year	\$ 263,979.46	\$ 265,403.23	\$ 529,382.69
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>			
Change in Net Assets	\$ (806,701.61)	\$ 82,352.16	\$ (724,349.45)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:			
Depreciation	\$ 8,166.00		\$ 8,166.00
Federal Commodities	100,659.94		100,659.94
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(1,052.48)	\$ 3,149.52	2,097.04
Decrease/(Increase) in Inventory	2,224.20		2,224.20
(Decrease) in Encumbrances	(646.35)	(1,089.60)	(1,735.95)
Increase/(Decrease) in Accounts Payable	7,889.32	(472.07)	7,417.25
(Decrease)/Increase in Deferred Revenue	(28.94)		(28.94)
Total Adjustments	\$ 117,211.69	\$ 1,587.85	\$ 118,799.54
Net Cash Provided/(Used) by Operating Activities	\$ (689,489.92)	\$ 83,940.01	\$ (605,549.91)

See accompanying notes to financial statements.

FIDUCIARY FUNDS

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
TRUST AND AGENCY FUNDS
JUNE 30, 2012

	Agency			Private Purpose	
	Student Activity	Payroll	Total Trust Funds	Scholarship Trust Funds	Total Agency Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 83,009.23	\$ 427,445.75	\$ 510,454.98	\$ 7,528.06	\$ 517,983.04
Total Assets	\$ 83,009.23	\$ 427,445.75	\$ 510,454.98	\$ 7,528.06	\$ 517,983.04
<u>LIABILITIES</u>					
Payable to Student Groups	\$ 83,009.23		\$ 83,009.23		\$ 83,009.23
Payroll Deductions and Withholdings		\$ 335,542.58	335,542.58		335,542.58
Interfund Payable - General Fund		91,903.17	91,903.17		91,903.17
Total Liabilities	\$ 83,009.23	\$ 427,445.75	\$ 510,454.98		\$ 510,454.98
<u>NET ASSETS</u>					
Reserved				\$ 7,528.06	\$ 7,528.06
Total Net Assets				\$ 7,528.06	\$ 7,528.06

See accompanying notes to financial statements.

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Private Purpose</u> <u>Scholarship Fund</u>
<u>ADDITIONS</u>	
Interest Earned	\$ <u>4.35</u>
Total Additions	\$ <u>4.35</u>
<u>DEDUCTIONS</u>	
Scholarship Awarded	\$ <u>1,000.00</u>
Total Deductions	\$ <u>1,000.00</u>
Change in Net Assets	\$ (995.65)
Total Net Assets - Beginning of the Year	<u>8,523.71</u>
Total Net Assets - Ending of the Year	\$ <u>7,528.06</u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Ewing Township School District (the "District") is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) from the Township of Ewing who are elected to three (3) year staggered terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2012 of 3,703 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment that are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

Enterprise Fund – The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and Extended Day Program.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

3. Fiduciary Funds

Trust and Agency Funds – The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Private Purpose Scholarship Funds

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and Scholarship Funds.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

3. Fiduciary Funds (Continued)

Private Purpose Scholarship Funds (Continued)

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Assets.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April unless it meets the criteria of being within the "Levy Cap" and then no election is required. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General Fund revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 61,985,313.15	\$ 2,137,782.33
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.	N/A	None
State aid payments recognized per GAAP standards in the current year previously recognized for budgetary purposes.	589,540.00	None
The last State aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	\$ <u>(685,921.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ <u>61,888,932.15</u>	\$ <u>2,137,782.33</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 59,798,415.31	\$ 2,137,782.33
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	<u>N/A</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>59,798,415.31</u>	\$ <u>2,137,782.33</u>

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

3. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

5. Tuition Payable

Tuition charges for the fiscal years 2010-2011 and 2011-2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

7. Capital Assets (Continued)

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-15 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

8. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

10. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

11. Deferred Revenue

Deferred revenue in the general and special revenue fund represent program revenues that have been received but not yet earned.

12. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

13. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

14. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service and Extended Day Programs) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

15. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

16. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

17. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, are unallocated. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities as unallocated. No expenses were allocated as "Indirect Expenses".

18. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

A. Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

As of June 30, 2012, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts, interest bearing	\$ 5,419,563.08
Certificates of Deposit	<u>7,528.06</u>
	\$ <u>5,427,091.14</u>
Reconciliation by Fund:	
Governmental	\$ 4,256,111.34
Proprietary	529,382.69
Fiduciary	<u>641,597.11</u>
	\$ <u>5,427,091.14</u>

Of the total amount deposits of \$3,731,746.13 has been earmarked towards the Capital Reserve Account (see Note 15).

Allocation of Cash and Cash Equivalents

Unrestricted	\$ 4,010,447.52
Restricted	<u>1,416,643.62</u>
	\$ <u>5,427,091.14</u>

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

New Jersey statutes permit the District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

There were no securities held by the District that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2012 consisted of Federal source, State source, transportation, a capital project and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental accounts receivables follows:

	<u>Government Fund</u> <u>Financial Statements</u>
General Fund:	
Federal Aid:	
Medicaid Semi-Aid	\$ 37,797.54
State Aid:	
Extraordinary Aid	205,219.00
Non-Public Transportation -	
Cost Reimbursement	42,639.23
Local Tax Levy	<u>3,719,218.27</u>
	<u>\$ 4,004,874.04</u>
Special Revenue Fund:	
Federal Aid:	
Title I Part A	\$ 181,687.70
Title I SIA	7,101.41
Title II Part A	9,945.00
Title II Part D	189.00
Title III Immigrant	765.00
IDEA Part B	283,431.82
IDEA Part B Preschool	22,721.91
Local:	
Local Grants	<u>212.28</u>
	<u>\$ 506,054.12</u>
Debt Service Fund:	
Local Tax Levy	<u>\$ 1.73</u>
Capital Projects Fund:	
NJSDA Grant	<u>\$ 653,839.18</u>
	<u>\$ 5,164,769.07</u>

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)

	Business Type <u>Activities</u>
Enterprise Fund:	
Food Service -	
Federal Source:	
School Lunch	\$ 34,347.44
School Breakfast	<u>5,657.35</u>
	<u>\$ 40,004.79</u>
State Source:	
School Lunch	<u>\$ 1,033.66</u>
Total Enterprise Fund	<u><u>\$ 41,038.45</u></u>

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

5. CAPITAL ASSETS, NET

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Transfers (Retirements)	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 688,921.00			\$ 688,921.00
Construction in progress	694,822.74	\$ 2,095,670.25	\$ (2,790,492.99)	
Total capital assets not being depreciated	\$ 1,383,743.74	2,095,670.25	(2,790,492.99)	\$ 688,921.00
Capital assets being depreciated:				
Vehicles	\$ 389,440.00	\$ 37,966.42	\$ (79,660.00)	\$ 347,746.42
Site and Site Improvements	3,121,002.00	414,863.60		3,535,865.60
Building and Building Improvements	40,464,294.00	2,266,578.78	(10,788,352.00)	31,942,520.78
Machinery and Equipment	9,125,376.41	915,198.72		10,040,575.13
Total at historical cost	\$ 53,100,112.41	\$ 3,634,607.52	\$ (10,868,012.00)	\$ 45,866,707.93
Less accumulated depreciation for:				
Vehicles	\$ (282,667.43)	\$ (25,284.96)	\$ 71,694.00	\$ (236,258.39)
Site and Site Improvements	(1,659,148.52)	(136,700.96)		(1,795,849.48)
Building and Building Improvements	(15,324,287.84)	(550,245.84)		(15,874,533.68)
Machinery and Equipment	\$ (7,611,950.73)	(1,098,787.76)		(8,710,738.49)
Total accumulated depreciation	\$ (24,878,054.52)	\$ (1,811,019.52)	\$ 71,694.00	\$ (26,617,380.04)
Total capital assets being depreciated, net of accumulated depreciation	\$ 28,222,057.89	\$ 1,823,588.00	\$ (10,796,318.00)	\$ 19,249,327.89
Governmental activities capital assets, net	\$ 29,605,801.63	\$ 3,919,258.25	\$ (13,586,810.99)	\$ 19,938,248.89
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	\$ 392,926.00			\$ 392,926.00
Totals at historical cost	\$ 392,926.00			\$ 392,926.00
Less accumulated depreciation for:				
Furniture, machinery and equipment	\$ (319,478.36)	\$ (8,166.00)		\$ (327,644.36)
Total accumulated depreciation	\$ (319,478.36)	\$ (8,166.00)		\$ (327,644.36)
Business type activities capital assets, net	\$ 73,447.64	\$ (8,166.00)		\$ 65,281.64
Detail of Additions and (Retirement)/Transfers:				
General Fund		\$ 31,000.00		
Special Revenue Fund		21,995.00		
Capital Projects Fund		2,095,670.25		
Donated Assets and Other Assets - Acquisitions		791,195.30		
		\$ 2,939,860.55		

An adjustment of \$10,796,318.00, Net, was made to the Capital Fixed Assets, Net to reflect the proper balance as of June 30, 2012. This was based on an extensive analysis review of the building and building improvements by the Business Administrator.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. DEFERRED BOND COSTS

In governmental funds, debt issuance costs and loss on refinancing are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs and loss on refinancing are amortized over the life of the specific bonds. The costs associated with the bonds through June 30, 2012 are as follows:

	<u>Amount</u>	<u>Amortization - Expense 2011-2012</u>	<u>Unamortized as of June 30, 2012</u>
Debt Issue Costs			
2003	\$ 236,273.00	\$ 15,752.00	\$ 79,754.00
2007	<u>78,216.00</u>	<u>8,691.00</u>	<u>33,761.00</u>
	<u>\$ 314,489.00</u>	<u>\$ 24,443.00</u>	<u>\$ 113,515.00</u>
Loss on Refinancing			
2003	\$ 1,808,727.00	\$ 120,581.00	\$ 602,916.00
2007	<u>51,784.00</u>	<u>5,755.00</u>	<u>23,009.00</u>
	<u>\$ 1,860,511.00</u>	<u>\$ 126,336.00</u>	<u>\$ 625,925.00</u>

7. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of \$100,659.94 (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. For the year ended June 30, 2012, the federal donated commodities food inventory of \$12,288.40 was included in the year end food and supplies amount of \$31,567.96.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

8. LONG-TERM DEBT

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year	Long-Term Portion
<u>Governmental Activities:</u>						
Bonds Payable:						
General Obligation						
Obligation Debt	\$ 40,420,000.00		\$ (5,035,000.00)	\$ 35,385,000.00	\$ 5,375,000.00	\$ 30,010,000.00
Other Liabilities:						
Obligations under						
Capital Lease	\$ 4,489,605.71	\$ 500,000.00	\$ (1,147,136.36)	\$ 3,842,469.35	\$ 1,223,797.97	\$ 2,618,671.38
Compensated						
Absences Payable	1,298,154.42	68,160.96	(18,774.51)	1,347,540.87	57,884.00	1,289,656.87
	<u>\$ 5,787,760.13</u>	<u>\$ 568,160.96</u>	<u>\$ (1,165,910.87)</u>	<u>\$ 5,190,010.22</u>	<u>\$ 1,281,681.97</u>	<u>\$ 3,908,328.25</u>
	<u>\$ 46,207,760.13</u>	<u>\$ 568,160.96</u>	<u>\$ (6,200,910.87)</u>	<u>\$ 40,575,010.22</u>	<u>\$ 6,656,681.97</u>	<u>\$ 33,918,328.25</u>

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

8. LONG-TERM DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows:

Refunding Bonds Series 2003

On March 1, 2003, the district issued \$22,875,000 of Refunding Bonds to partially refund \$20,830,000 of the \$31,920,000 Series 2000 Refunding Bonds outstanding. Remaining annual maturities ranging from \$1,655,000 to \$3,370,000 with final maturity due on October 1, 2017 and interest rates on remaining maturities ranging from 3.30% to 5.00%.

\$ 15,160,000.00

Redemption: The refunding bonds maturing prior to October 1, 2014 are not subject to redemption prior to their stated maturities. The refunding bonds of this issue maturing on or after October 1, 2014 are subject to redemption at the option of the Board, in whole or in part, on any date, on or after October 1, 2013 upon notice as required herein at 100% of the principal amount ("Redemption Price"), plus in each case accrued interest to the date fixed for redemption.

Early Retirement Incentive Bonds (ERIP) of 2002 (Taxable)

Provided for the retirement of School District's unfunded accrued liability in the Public Employees Retirement System ("PERS") and retirement of School District unfunded accrued liability in the Teachers' Pension and Annuities Fund ("TPAF") authorized and issued \$4,735,000 dated December 10, 2002. Remaining annual maturities ranging from \$480,000 to \$560,000 with final maturity due on July 1, 2015 and interest rates on remaining maturities from 5.00% to 5.20%.

\$ 2,080,000.00

Redemption: The refunding bonds maturing on or after July 1, 2013 are subject to redemption prior to maturity at the option of the School District on any date on or after July 1, 2012, upon notice set forth below, in whole or in part (and, if in part, such maturities as the School District shall determine and within any such maturity by lot) at a redemption price equal to 100% of the principal amount of refunding bonds to be redeemed, plus accrued interest to the redemption date.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

8. LONG-TERM DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)

Early Retirement Incentive Bonds (ERIP) of 2005 (Taxable)

Provided for the retirement of School District unfunded accrued liability in the Public Employees Retirement System ("PERS") and retirement of School District unfunded accrued liability in the Teachers' Pension and Annuities Fund ("TPAF") authorized and issued \$13,550,000 dated March 21, 2005. Remaining annual maturities ranging from \$800,000 to \$1,535,000 with final maturity due on May 1, 2020 and interest rates on remaining maturities ranging from 4.80% to 5.00%.

\$ 9,140,000.00

Redemption: The Refunding Bonds maturing on and after May 1, 2016 are subject to redemption prior to stated maturity dates at the option of the School District on any date on or after May 1, 2015, upon as set forth below, in whole or in part (and, if in part, such maturities as the School District determine and within any such maturity by lot) at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Early Retirement Incentive Bonds (ERIP) of 2006 (Taxable)

Provided for the retirement of School District unfunded accrued liability in the Public Employees Retirement System ("PERS") and retirement of School District unfunded accrued liability in the Teachers' Pension and Annuities Fund ("TPAF") authorized and issued \$1,640,000 dated February 27, 2007. Remaining annual maturities ranging from \$180,000 to \$205,000 with final maturity due on May 1, 2016 and interest rates on remaining maturities of 5.69%. The bonds are not subject to redemption prior to their stated maturity.

\$ 775,000.00

School District Bonds, Series 2007

To refund the 1992 construction lease authorized and issued \$13,280,000.00 dated September 15, 2007. Remaining annual maturities range from \$1,505,000.00 to \$1,795,000.00 with final maturity due on September 15, 2016 and interest rates on remaining maturities ranging from 3.75% to 3.875%. The bonds are not subject to redemption prior to their stated maturity.

\$ 8,230,000.00

\$ 35,385,000.00

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

8. LONG-TERM DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 2011 has been complied with.

Bonds are authorized in accordance with State law by the voters of the Municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

B. Debt Service Requirements

Debt service requirements on serial bonds payable at June 30, 2012 are as follows:

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 5,375,000.00	\$ 1,423,398.77	\$ 6,798,398.77
2014	5,605,000.00	1,210,380.52	6,815,380.52
2015	5,850,000.00	982,278.89	6,832,278.89
2016	6,095,000.00	738,915.76	6,833,915.76
2017	<u>6,455,000.00</u>	<u>465,938.13</u>	<u>6,920,938.13</u>
	<u>29,380,000.00</u>	<u>4,820,912.07</u>	<u>34,200,912.07</u>
2018	3,020,000.00	250,600.00	3,270,600.00
2019	1,450,000.00	149,250.00	1,599,250.00
2020	<u>1,535,000.00</u>	<u>76,750.00</u>	<u>1,611,750.00</u>
	<u>6,005,000.00</u>	<u>476,600.00</u>	<u>6,481,600.00</u>
Total:	<u>\$ 35,385,000.00</u>	<u>\$ 5,297,512.07</u>	<u>\$ 40,682,512.07</u>

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

8. LONG-TERM DEBT (CONTINUED)

C. Capital Lease Obligations Payable

Lease/Purchase Agreements – Equipment, Vehicles and Fields

The District is leasing computer equipment, textbooks, library books, technology, and renovations under several capital leases. All capital leases are for terms of four to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012:

<u>Year Ending June 30,</u>	<u>Building and Grounds</u>	<u>Textbooks, Library Technology and Renovations</u>	<u>Totals</u>
2013	\$ 443,029.00	\$ 872,422.53	\$ 1,315,451.53
2014	733,347.48	431,772.61	1,165,120.09
2015	743,850.80	212,312.88	956,163.68
2016	378,841.88	105,877.98	484,719.86
2017	-	105,877.98	105,877.98
Total Minimum Lease Payment	\$ 2,299,069.16	\$ 1,728,263.98	\$ 4,027,333.14
Less: Amount Representing Interest and Maintenance	<u>\$ 99,069.16</u>	<u>\$ 85,794.63</u>	<u>\$ 184,863.79</u>
Minimum Lease Payment	<u>\$ 2,200,000.00</u>	<u>\$ 1,642,469.35</u>	<u>\$ 3,842,469.35</u>

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

9. DEFERRED REVENUE

The deferred revenue exists since the receipt of the funds benefits future periods. As of June 30, 2012, the District has deferred revenue as follows:

	<u>Governmental Funds</u>
Special Revenue Fund:	
Federal Grants:	
Title II-A	\$ 29,271.15
Title III	9,664.57
IDEA Pre-School	22,559.49
ARRA Title I-A	<u>127,100.00</u>
	188,595.21
Local Grants	<u>18,480.07</u>
	<u><u>\$ 207,075.28</u></u>
	<u>Business Type Activities</u>
Enterprise Fund:	
Food Service:	
Prepaid Lunches	<u><u>\$ 15,461.77</u></u>

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

10. OPERATING LEASE

The District leases space for its administration office. The lease term is for five (5) years beginning July 1, 2011 and expires June 30, 2016. The District is responsible for utilities and maintenance.

Annual lease payments over the remaining life are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2013	\$ 64,350
2014	64,350
2015	64,350
2016	64,350
	<u>\$ 257,400</u>

11. PENSION PLANS

Description of Plans: All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF): The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS): The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

11. PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions: The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation: During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements: The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium.

During the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

11. PENSION PLANS (CONTINUED)

Contribution Requirements: (Continued)

Year Funding	Three-Year Trend Information for PERS					Percentage of APC Contributed
	Annual Pension Cost		NCGI	Net Cost to District		
	Normal	Accrued				
June 30, 2012	\$ 220,620	\$ 441,239	\$ 42,168	\$ 704,027	100%	
June 30, 2011	243,279	387,650	47,919	678,848	100%	
June 30, 2010	199,621	256,490	63,252	519,363	100%	

Three-Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	TPAF Post- Retirement Medical	TPAF FICA
June 30, 2012	\$ 799,592	0.00%	\$ 1,607,392	\$ 1,935,549
June 30, 2011	78,717	0.00%	1,671,957	1,886,281
June 30, 2010	81,752	0.00%	1,535,426	1,903,886

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$799,592 to the TPAF Pension and Insurance and \$1,607,392 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,935,549 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

12. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2012.

13. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees earn sick unused leave at various rates depending on their respective employment contracts. They are allowed to be paid for accumulated sick leave based on a daily rate subject to certain minimum employment requirements indicated in their respective employment contracts. For teachers, the maximum accumulated leave payout is \$15,000.00.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Assets in the current and long-term liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary fund types.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

14. DEFERRED COMPENSATION

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Waddell & Reed Financial Services
AXA Advisors-Equitable

Metropolitan Life
Lincoln Investment Planning

15 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Property and Liability Insurance: The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance: The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid for the current and prior two years:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>
2011-2012	\$ 136,210.29	\$ 74,822.96	\$ 211,033.25
2010-2011	24,808.69	59,012.86	83,821.55
2009-2010	7,290.04	72,148.75	79,438.79

Health Benefits: The District has opted for the traditional monthly per employee premium plan for its health benefits coverage.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

16. INTERFUND BALANCES AND TRANSFERS

The interfund receivable/payable as of June 30, 2012 will be liquidated in the normal course of business in the succeeding year.

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 91,903.17	
Trust and Agency, Payroll Agency		\$ 91,903.17

17. CAPITAL RESERVE ACCOUNT

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Board Contributions:		
Prior to June 30, 2011	\$ 3,267,721.00	
During fiscal year ended June 30, 2012	<u>2,531,746.13</u>	\$ 5,799,467.13
Interest Earnings:		None
Withdrawals:		
Prior to June 30, 2011	\$ 2,067,721.00	
During fiscal year ended June 30, 2012	<u>None</u>	<u>\$ 2,067,721.00</u>
Balance at June 30, 2012		<u><u>\$ 3,731,746.13</u></u>

The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund Annual Budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board Resolution at year end, if any, Unanticipated Revenue or Unexpended Line Item Appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

As a result of the 2012-2013 budget process, an authorization by the voters to withdraw \$1,200,000.00 from the capital reserve account for use as improvements for the District school buildings.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

18. FUND BALANCE APPROPRIATED

General Fund - Of the \$7,825,199.17 General Fund fund balance at June 30, 2012, \$88,975.40 is reserved for encumbrances; \$3,731,746.13 is reserved in the Capital Reserve Account; \$1,281,281.00 assigned excess surplus – designated for subsequent years expenditures and has been appropriated and included as anticipated revenue for the year ended June 30, 2013, \$1,000,000.00 is reserved for maintenance. \$614,079.00 is reserved for excess surplus and \$1,109,117.64 is unassigned.

Debt Service Fund – Of the \$4.89 Debt Service Fund balance at June 30, 2012 is unassigned.

Capital Projects Fund – Of the \$937,718.96 Capital Projects Fund Balance at June 30, 2012, \$153,985.98 is committed for year-end encumbrances and \$783,732.98 is assigned – designated for subsequent year's expenditures.

19. CONTINGENT LIABILITIES AND COMMITMENTS

- A. **Grant Programs** – The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – There are matters pending which should not, in the event of an adverse ruling, result in a material significant impact on the district's financial condition.
- C. **Contracts** – The Board awarded contracts for the construction of various improvements district-wide. The balance of the contracts remaining is included in the reserve for encumbrances in the Capital Projects Fund in the amount of \$153,985.98 for various improvements district-wide.

20. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was excess fund balance as a result of the 2011-2012 school year at June 30, 2012 of \$1,300,000.00.

EWING TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

21. RECONCILIATION OF FUND BALANCE – GENERAL FUND

The Fund Balances are presented on a GAAP basis and a reconciliation to the budget basis is as follows:

	<u>Reserve for Excess Surplus</u>
Balance on a budget basis on the General Fund budgetary basis comparison	\$ 1,300,000.00
Less: Allocation of State aid payments not recognized on a GAAP basis	<u>685,921.00</u>
Balance on a GAAP Basis	\$ <u>614,079.00</u>

21. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 47,568,592.00		\$ 47,568,592.00	\$ 47,568,592.00	
Tuition	150,000.00		150,000.00	366,972.75	\$ 215,972.75
Transportation fees from individuals	5,000.00		5,000.00		(5,000.00)
Miscellaneous	200,000.00		200,000.00	248,463.54	48,463.54
Total - local sources	\$ 47,923,592.00		\$ 47,923,592.00	\$ 48,183,028.29	\$ 259,436.29
State sources:					
Categorical Special Education Aid	\$ 2,063,730.00		\$ 2,063,730.00	\$ 2,063,730.00	
Equalization Aid	6,141,998.00		6,141,998.00	6,654,928.00	\$ 512,930.00
Extraordinary aid	184,500.00		184,500.00	205,219.00	20,719.00
Categorical Security Aid				50,199.00	50,199.00
Nonpublic transportation - cost reimbursement				42,639.23	42,639.23
Other State Aid-Bullying				1,193.00	1,193.00
On behalf - TPAF - pension contributions (non budgeted)				799,592.00	799,592.00
Reimbursed TPAF social security contributions (non budgeted)				1,935,549.42	1,935,549.42
On-Behalf - TPAF post retired Medical Benefits (non budgeted)				1,607,392.00	1,607,392.00
Total - state sources	\$ 8,390,228.00		\$ 8,390,228.00	\$ 13,360,441.65	\$ 4,970,213.65
Federal sources:					
Education Jobs Fund	\$ 346,484.00	\$ 10,855.00	\$ 357,339.00	\$ 357,339.00	
Medicaid Reimbursement	60,680.00		60,680.00	84,504.21	23,824.21
Total - federal sources	\$ 407,164.00	\$ 10,855.00	\$ 60,680.00	\$ 441,843.21	\$ 23,824.21
Total revenues	\$ 56,720,984.00	\$ 10,855.00	\$ 56,374,500.00	\$ 61,985,313.15	\$ 5,253,474.15

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool					
Kindergarten	\$ 735,816.00	\$ (5,077.34)	\$ 730,738.66	\$ 730,738.66	
Grades 1 - 5	5,756,081.00	325,959.41	6,082,040.41	6,082,040.41	\$
Grades 6 - 8	3,987,180.00	(32,944.08)	3,954,235.92	3,954,235.92	
Grades 9 - 12	4,695,180.00	92,760.23	4,787,940.23	4,781,952.06	5,988.17
	\$ 15,174,257.00	\$ 380,698.22	\$ 15,554,955.22	\$ 15,548,967.05	\$ 5,988.17
Home instruction:					
Salaries of teachers aids	\$ 90,000.00	33,978.67	123,978.67	\$ 123,978.67	\$
Purchased professional - education services	226,000.00	(179,372.62)	46,627.38	43,897.47	2,729.91
Purchased technical services	2,000.00		2,000.00		2,000.00
General supplies	200.00	196.14	396.14	390.68	5.46
Textbooks	200.00	(196.14)	3.86		3.86
	\$ 318,400.00	\$ (145,393.95)	\$ 173,006.05	\$ 168,266.82	\$ 4,739.23
Total home instruction					
Regular programs - undistributed instruction:					
Other salaries for instruction	\$ 382,228.00	(32,282.55)	\$ 349,945.45	\$ 339,769.75	\$ 10,175.70
Purchased professional - educational services	14,625.00	7,800.00	22,425.00	18,970.50	3,454.50
Other purchased services (400-500 series)	1,122,690.00		1,122,690.00	1,122,687.79	2.21
General supplies	423,597.00	(3,710.00)	419,887.00	392,595.78	27,291.22
Textbooks	6,270.00	10,000.00	16,270.00	358.61	15,911.39
Other objects	14,556.00		14,556.00	7,260.89	7,295.11
	\$ 1,963,966.00	\$ (18,192.55)	\$ 1,945,773.45	\$ 1,881,643.32	\$ 64,130.13
Total regular programs - instruction					
Total regular programs - instruction	\$ 17,456,623.00	\$ 217,111.72	\$ 17,673,734.72	\$ 17,588,877.19	\$ 74,857.53

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 273,547.00	\$ 10,788.30	\$ 284,335.30	\$ 284,335.30	\$ 1,826.69
Other salaries for instruction	28,061.00	30,661.34	58,722.34	56,895.65	1,450.82
General supplies	12,000.00		12,000.00	10,549.18	
Total learning and/or language disabilities	\$ 313,608.00	\$ 41,449.64	\$ 355,057.64	\$ 351,780.13	\$ 3,277.51
Behavioral disabilities:					
Salaries of teachers	\$ 168,917.00		\$ 168,917.00	\$ 163,931.23	\$ 4,985.77
Other salaries for instruction	38,927.00	0.02	38,927.02	38,927.02	
General supplies	8,000.00	5,000.00	13,000.00	12,424.39	575.61
Other objects	3,000.00	4,500.00	7,500.00	5,782.35	1,717.65
Total behavioral disabilities	\$ 218,844.00	\$ 9,500.02	\$ 228,344.02	\$ 221,064.99	\$ 7,279.03
Multiple disabilities:					
Salaries of teachers	\$ 842,319.00		\$ 842,319.00	\$ 830,979.39	\$ 11,339.61
Other salaries for instruction	385,765.00	272.55	386,037.55	386,037.55	
General supplies	13,000.00	(5,000.00)	8,000.00	4,894.95	3,105.05
Other objects	3,000.00		3,000.00	2,861.00	139.00
Total multiple disabilities	\$ 1,244,084.00	\$ (4,727.45)	\$ 1,239,356.55	\$ 1,224,772.89	\$ 14,583.66
Resource room/resource center:					
Salaries of teachers	\$ 2,614,233.00	\$ (178,774.42)	\$ 2,435,458.58	\$ 2,431,969.58	\$ 3,489.00
Other salaries for instruction	19,457.00	0.02	19,457.02	19,457.02	
General supplies	17,304.00	(2,532.84)	14,771.16	11,680.40	3,090.76
Total resource room/resource center	\$ 2,650,994.00	\$ (181,307.24)	\$ 2,469,686.76	\$ 2,463,107.00	\$ 6,579.76

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Special education instruction (continued):					
Autism:					
Salaries of teachers	\$ 334,394.00	\$ 173,410.71	\$ 507,804.71	\$ 507,804.71	
Other salaries for instruction	173,424.00	(34,015.30)	139,408.70	139,408.70	
General supplies	13,000.00	(8,402.10)	4,597.90	4,597.90	
Other objects	3,000.00	(303.44)	2,696.56	2,696.56	
Total autism	\$ 523,818.00	\$ 130,689.87	\$ 654,507.87	\$ 654,507.87	
Preschool disabilities - part-time:					
Salaries of teachers	\$ 161,362.00	\$ 36,234.26	\$ 197,596.26	\$ 197,596.26	
Salaries of Occupational Therapist	165,934.00	(18,207.50)	147,726.50	147,726.50	
Other salaries for instruction	111,391.00	(1,846.02)	109,544.98	109,544.98	
General supplies	8,000.00	(4,942.36)	3,057.64	2,606.66	\$ 450.98
Other objects	3,000.00		3,000.00		3,000.00
Total Preschool disabilities - part-time	\$ 449,687.00	\$ 11,238.38	\$ 460,925.38	\$ 457,474.40	\$ 3,450.98
Preschool disabilities - full-time:					
Salaries of teachers	\$ 541,850.00	\$ 56,186.55	\$ 598,036.55	\$ 598,036.55	
Total Preschool disabilities - full-time	\$ 541,850.00	\$ 56,186.55	\$ 598,036.55	\$ 598,036.55	
Total special education - instruction	\$ 5,942,885.00	\$ 63,029.77	\$ 6,005,914.77	\$ 5,970,743.83	\$ 35,170.94
Other instructional programs:					
Bilingual education - instruction:					
Salaries of teachers	\$ 240,352.00	\$ 1,905.70	\$ 242,257.70	\$ 242,257.70	
Total bilingual education - instruction	\$ 240,352.00	\$ 1,905.70	\$ 242,257.70	\$ 242,257.70	

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Other instructional programs (continued):					
School sponsored co/extracurricular activities - instruction:					
Salaries	\$ 9,600.00	\$ 15,166.00	\$ 24,766.00	\$ 24,766.00	
Purchased services (300-500 series)	2,500.00	5,620.00	8,120.00	8,120.00	
Cocurricular Travel Out of District	4,306.00		4,306.00	3,696.56	\$ 609.44
Supplies and materials	11,250.00		11,250.00	11,214.80	35.20
Transfers to cover deficit (Agency Funds)	15,675.00		15,675.00	14,525.00	1,150.00
Total school sponsored co/extracurricular activities - inst.	\$ 43,331.00	\$ 20,786.00	\$ 64,117.00	\$ 62,322.36	\$ 1,794.64
School sponsored athletic - instruction:					
Salaries	\$ 622,687.00	\$ 42,694.37	\$ 665,381.37	\$ 664,291.37	\$ 1,090.00
Purchased services (300-500 series)	1,325.00		1,325.00	14.26	1,310.74
Student Accident Insurance	16,287.00		16,287.00	14,987.00	1,300.00
Supplies and materials	4,240.00		4,240.00	4,180.58	59.42
Other objects	550.00		550.00		550.00
Transfers to cover deficit (Agency Funds)	149,280.00	252.00	149,532.00	111,772.57	37,759.43
Total school sponsored athletic - instruction	\$ 794,369.00	\$ 42,946.37	\$ 837,315.37	\$ 795,245.78	\$ 42,069.59
Total other instructional programs	\$ 1,078,052.00	\$ 65,638.07	\$ 1,143,690.07	\$ 1,099,825.84	\$ 43,864.23
Total instructional programs	\$ 24,477,560.00	\$ 345,779.56	\$ 24,823,339.56	\$ 24,669,446.86	\$ 153,892.70
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - special	\$ 49,424.00	\$ (20,000.00)	\$ 29,424.00	\$ 4,423.65	\$ 25,000.35
Tuition to County Vo-Tech					
Tuition to CSSD & regular day schools	2,025,244.00	(1,354,045.45)	671,198.55	615,286.01	55,912.54
Tuition to private school for the disabled - state	486,451.00	249,647.08	736,098.08	632,429.37	103,668.71
Tuition to private school for the disabled and other LEA's - special outside state	470,148.00	(150,000.00)	320,148.00	260,542.53	59,605.47
Tuition state facilities	35,250.00	1,135,000.00	1,170,250.00	1,169,713.30	536.70
Tuition other	344,530.00	(15,000.00)	329,530.00	258,068.13	\$ 71,461.87
Total undistributed expenditures - instruction	\$ 3,411,047.00	\$ (154,398.37)	\$ 3,256,648.63	\$ 2,940,462.99	\$ 316,185.64

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Attendance and social work:					
Salaries	\$ 144,604.00	\$ (1,789.63)	\$ 142,814.37	\$ 142,814.37	
Salary of Secretary	117,186.00	(75,836.40)	41,349.60	41,349.60	
Other purchased services (400-500 series)	8,000.00		8,000.00	1,739.04	\$ 6,260.96
Supplies and materials	4,300.00	374.10	4,674.10	4,529.54	144.56
Other objects	6,500.00		6,500.00	2,005.50	4,494.50
Total attendance and social work	\$ 280,590.00	\$ (77,251.93)	\$ 203,338.07	\$ 192,438.05	\$ 10,900.02
Health services:					
Salaries	\$ 436,831.00	\$ 20,291.48	\$ 457,122.48	\$ 454,776.48	\$ 2,346.00
Salaries Secy	105,227.00	(18,549.19)	86,677.81	86,677.81	
Purchased professional - technical services	90,000.00	(6,154.41)	83,845.59	83,845.59	
Purchased professional services-other services	60,091.00		60,091.00	57,219.18	2,871.82
Supplies and materials	16,000.00		16,000.00	14,027.92	1,972.08
Total health services	\$ 708,149.00	\$ (4,412.12)	\$ 703,736.88	\$ 696,546.98	\$ 7,189.90
Other support services - students - related services:					
Salaries	\$ 442,581.00	\$ (53,136.91)	\$ 389,444.09	\$ 389,444.09	
Supplies and materials	10,500.00		10,500.00	10,328.25	\$ 171.75
Other objects	6,000.00		6,000.00	2,892.92	3,107.08
Total other support service - student - related services	\$ 459,081.00	\$ (53,136.91)	\$ 405,944.09	\$ 402,665.26	\$ 3,278.83
Other support services - students - regular:					
Salaries of other professional staff	\$ 937,982.00	\$ (33,293.02)	\$ 904,728.98	\$ 904,728.98	
Salaries of Secretarial and Clerical Assistants	209,191.00	12,747.26	221,938.26	221,938.26	
Other purchased services (400-500 series)	900.00		900.00	70.99	\$ 829.01
Supplies and materials	9,600.00		9,600.00	8,265.94	1,334.06
Other objects	6,068.00		6,068.00	5,088.84	979.16
Total other support services - students - regular	\$ 1,163,741.00	\$ (20,505.76)	\$ 1,143,235.24	\$ 1,140,093.01	\$ 3,142.23

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Other support services - students - special:					
Salaries of other professional staff	\$ 1,134,215.00	\$ (57,700.84)	\$ 1,076,514.16	\$ 1,076,514.16	
Salaries of secretarial and clerical assistants	197,728.00	(3,083.22)	194,644.78	194,644.78	
Purchased professional - educational services	35,000.00	(25,000.00)	10,000.00	7,288.06	\$ 2,711.94
Other purchase professional and technical services	8,000.00		8,000.00	8,000.00	
Misc Purchased services (400-500 series)	10,000.00		10,000.00	2,426.54	7,573.46
Supplies and materials	13,000.00	10,000.00	23,000.00	21,083.08	1,916.92
Other objects	7,000.00	14,500.00	21,500.00	20,155.58	1,344.42
Total other support services - students - special	\$ 1,404,943.00	\$ (61,284.06)	\$ 1,343,658.94	\$ 1,330,112.20	\$ 13,546.74
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 794,730.00	\$ (9,467.04)	\$ 785,262.96	\$ 785,262.96	
Salaries of other professional staff	1,700.00	651.00	2,351.00		\$ 2,351.00
Salaries of Secretarial and Clerical Assistant	136,714.00		136,714.00	106,402.92	30,311.08
Purchased professional - educational services	60.00		60.00		60.00
Other purchase professional and technical services	679.00		679.00	679.00	
Other purchased services (400-500)	1,800.00		1,800.00	1,219.94	580.06
Supplies and materials	4,600.00		4,600.00	4,392.02	207.98
Other objects	6,350.00	(651.00)	5,699.00	2,425.80	3,273.20
Total improvement of instructional services	\$ 946,633.00	\$ (9,467.04)	\$ 937,165.96	\$ 900,382.64	\$ 36,783.32
Educational media service/school library:					
Salaries	\$ 336,556.00	\$ (2,821.35)	\$ 333,734.65	\$ 327,042.75	\$ 6,691.90
Other purchased services (400-500 series)	600.00		600.00	539.62	60.38
Supplies and materials	98,364.00	174.11	98,538.11	86,264.88	12,273.23
Other objects	31,800.00		31,800.00	31,799.99	0.01
Total educational media service/school library	\$ 467,320.00	\$ (2,647.20)	\$ 464,672.76	\$ 445,647.24	\$ 19,025.52

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Instructional staff training services:					
Purchased professional - educational services	\$ 4,288.00		\$ 4,288.00	\$ 4,287.50	\$ 0.50
Other purchased services (400-500 series)	1,870.00		1,870.00	322.00	1,548.00
Supplies and materials	5,411.00	\$ 623.50	6,034.50	3,020.65	3,013.85
Other objects	2,750.00		2,750.00	750.00	2,000.00
Total instructional staff training services	\$ 14,319.00	\$ 623.50	\$ 14,942.50	\$ 8,380.15	\$ 6,562.35
Support services - general administration:					
Salaries	\$ 190,437.00	\$ (1,127.88)	\$ 189,309.12	\$ 189,309.12	
Salaries of Secretaries	64,174.00	4,000.08	68,174.08	68,174.08	
Legal services	5,000.00	106,580.36	111,580.36	111,580.36	
Other purchased professional services	66,000.00	6,516.07	72,516.07	72,397.82	\$ 118.25
Purchase Technical Services	18,460.00	(210.00)	18,250.00	18,250.00	
Communications/telephone	143,000.00	22,291.86	165,291.86	163,749.12	1,542.74
BOE - other purchased services	10,600.00	(2,900.01)	7,699.99	7,346.73	353.26
Miscellaneous purchased services (400-500)	1,100.00	(1,100.00)			
General supplies	14,025.00	(7,595.41)	6,429.59	6,429.59	
Miscellaneous expenditures	35,495.00	(1,036.00)	34,459.00	34,394.00	65.00
Total support services - general administration	\$ 548,291.00	\$ 125,419.07	\$ 673,710.07	\$ 671,630.82	\$ 2,079.25
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,538,013.00	\$ (72,132.52)	\$ 1,465,880.48	\$ 1,465,880.48	
Salaries of secretarial and clerical assistants	584,548.00	87,042.32	671,590.32	671,590.32	
Other purchased services (400-500 series)	1,625.00		1,625.00	1,338.68	\$ 286.32
Supplies and materials	92,535.00	1,875.25	94,410.25	90,195.22	4,215.03
Other objects	41,563.00	(464.86)	41,098.14	26,610.19	14,487.95
Total support services - school administration	\$ 2,258,284.00	\$ 16,320.19	\$ 2,274,604.19	\$ 2,255,614.89	\$ 18,989.30

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Central services:					
Salaries	\$ 192,475.00	\$ (43,235.00)	\$ 149,240.00	\$ 149,240.00	
Bus HR Secretary Salary	490,663.00	(9,834.24)	480,828.76	480,828.76	
Purchased technical services	1,900.00	(217.64)	1,682.36	1,347.90	\$ 334.46
Miscellaneous purchased services (400-500 series)	4,061.00		4,061.00	4,061.00	
Miscellaneous purchased services-Travel	4,100.00	(1,832.36)	2,267.64	1,588.66	678.98
Supplies and materials	21,439.00	(6,303.27)	15,135.73	15,036.26	99.47
Interest on current loans	48,152.00		48,152.00	48,151.50	0.50
Miscellaneous expenditures	8,200.00	60,398.34	68,598.34	62,883.94	5,714.40
Total central services	\$ 770,990.00	\$ (1,024.17)	\$ 769,965.83	\$ 763,138.02	\$ 6,827.81
Admin. Info. Technology:					
Salaries	\$ 222,237.00		\$ 222,237.00	\$ 176,038.85	\$ 46,198.15
Other purchased services (400-500 series)	1,740.00		1,740.00	754.51	985.49
Supplies and materials	2,500.00	498.80	2,998.80	2,998.80	
Total admin. Info. Technology	\$ 226,477.00	\$ 498.80	\$ 226,975.80	\$ 179,792.16	\$ 47,183.64

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Required maintenance for school facilities:					
Salaries	\$ 677,396.00		\$ 677,396.00	\$ 665,588.76	\$ 11,807.24
Cleaning, repair and maintenance services	239,645.00	\$ (2,571.00)	237,074.00	214,247.71	22,826.29
General supplies	111,422.00	17,000.00	128,422.00	117,516.64	10,905.36
Total required maintenance for school facilities	\$ 1,028,463.00	\$ 14,429.00	\$ 1,042,892.00	\$ 997,353.11	\$ 45,538.89
Custodial Services:					
Salaries	\$ 39,572.00		\$ 39,572.00	\$ 39,572.00	\$ 81,556.03
Operation Custody Salary	1,663,714.00	\$ (128,373.01)	1,535,340.99	1,453,784.96	600.00
Purchased professional and technical services	600.00		600.00		200.00
Other Purchased Services-printing	600.00	(400.00)	200.00	20,428.40	10,571.60
Other Purchased Services-professional services	43,000.00	(12,000.00)	31,000.00	350,563.28	47,602.72
Cleaning, repair and maintenance services	372,693.00	25,473.00	398,166.00	244.00	122.00
Rental of land & bldg. other than lease per agreement	366.00		366.00	68,087.50	5,362.50
Rental of Land & Building		73,450.00	73,450.00	77,557.42	28,046.58
Other purchased property services	105,604.00		105,604.00	186,668.00	26,520.00
Insurance	213,178.00		213,178.00	92.20	657.80
Miscellaneous purchased services	750.00		750.00		15,888.58
General supplies	112,715.00	374.10	113,089.10	97,200.52	448,894.34
Energy (electricity)	587,000.00	235,773.22	822,773.22	373,878.88	863.07
Other objects	18,000.00		18,000.00	17,136.93	
Energy (natural gas)	1,068,000.00	276,733.35	1,344,733.35	1,134,348.72	210,384.63
Total other operation and maintenance of plant	\$ 4,225,792.00	\$ 471,030.66	\$ 4,696,822.66	\$ 3,819,552.81	\$ 877,269.85
Total operation and maintenance of plant	\$ 5,254,255.00	\$ 485,459.66	\$ 5,739,714.66	\$ 4,816,905.92	\$ 922,808.74

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Student transportation:					
Salaries for pupil transportation (between home and school) - regular	\$ 91,957.00	\$ 0.06	\$ 91,957.06	\$ 91,957.06	
Management fee - ESC & CTSA transportation program	300.00		300.00	300.00	
Cleaning, repair and maintenance services	3,760.00		3,760.00	3,760.00	
Contracted services (between home and school) - vendors	1,938,088.00	164,186.62	2,102,274.62	2,061,873.61	\$ 40,401.01
Contracted services (other than between home and school) - vendors	130,184.00	6,291.08	136,475.08	133,502.24	2,972.84
Contracted services (special education students) - vendors	825,904.00	(150,000.00)	675,904.00	569,655.96	106,248.04
Contracted services - aid in lieu of payments - nonpublic schools	168,540.00	(21,581.74)	146,958.26	146,692.53	265.73
Miscellaneous purchased services - transportation	200.00	775.00	975.00	896.87	78.13
Supplies and materials	2,843.00	(41.16)	2,801.84	1,701.56	1,100.28
Other objects	150.00		150.00	150.00	
Total student transportation	\$ 3,161,926.00	\$ (370.10)	\$ 3,161,555.86	\$ 3,010,489.83	\$ 151,066.03

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Unallocated benefits:					
Social security contribution	\$ 755,389.00		\$ 755,389.00	\$ 633,739.31	\$ 121,649.69
Other retirement contributions - regular	706,000.00		706,000.00	704,027.00	1,973.00
Other retirement contributions - ERIP	62,828.00	\$ 7,097.19	69,925.19	69,925.19	
Unemployment compensation	250,000.00	(10,000.00)	240,000.00	136,210.29	103,789.71
Workmen's compensation	493,114.00		493,114.00	493,114.00	
Health benefits	9,443,037.00	(44,862.29)	9,398,174.71	8,709,193.58	688,981.13
Tuition reimbursement	92,000.00		92,000.00	45,342.50	46,657.50
Total unallocated benefits	\$ 11,802,368.00	\$ (47,765.10)	\$ 11,754,602.90	\$ 10,791,551.87	\$ 963,051.03
Total personal services - employee benefits	\$ 11,802,368.00	\$ (47,765.10)	\$ 11,754,602.90	\$ 10,791,551.87	\$ 963,051.03
On behalf - TPAF - pension contributions (non budgeted)				\$ 799,592.00	\$ (799,592.00)
On behalf - TPAF - post retirement medical (non budgeted)				1,607,392.00	(1,607,392.00)
Reimbursed TPAF social security contributions (non budgeted)				1,935,549.42	(1,935,549.42)
Total on behalf - Contributions				\$ 4,342,533.42	\$ (4,342,533.42)
Total undistributed expenditures	\$ 32,878,414.00	\$ 196,058.46	\$ 33,074,472.38	\$ 34,888,385.45	\$ (1,813,913.07)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 57,355,974.00	\$ 541,838.02	\$ 57,897,811.94	\$ 59,557,832.31	\$ (1,660,020.37)

EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONTINUED):					
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Instruction - Multiple Disabilities	\$ 10,000.00	\$ 21,000.00	\$ 31,000.00	\$ 31,000.00	
Capital Leases	200,000.00		200,000.00	200,000.00	
TOTAL EXPENDITURES - CAPITAL OUTLAY	\$ 210,000.00	\$ 21,000.00	\$ 231,000.00	\$ 231,000.00	
Transfer of Funds to Charter Schools	\$ 367,293.00		\$ 367,293.00	\$ 9,583.00	357,710.00
Total of Funds to Charter Schools	\$ 367,293.00		\$ 367,293.00	\$ 9,583.00	357,710.00
TOTAL GENERAL FUND EXPENDITURES	\$ 57,933,267.00	\$ 562,838.02	\$ 58,496,104.94	\$ 59,798,415.31	\$ (1,302,310.37)
Excess/(deficiency) of revenues over/(under) expenditures	\$ (1,212,283.00)	\$ (551,983.02)	\$ (2,121,604.94)	\$ 2,186,897.84	\$ 3,951,163.78

**EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (1,212,283.00)	\$ 551,983.02	\$ (2,121,604.94)	\$ 2,186,897.84	\$ 3,951,163.78
Fund balance, July 1	\$ 6,324,222.33		\$ 6,324,222.33	\$ 6,324,222.33	
Fund balance, June 30	\$ 5,111,939.33	\$ 551,983.02	\$ 4,202,617.39	\$ 8,511,120.17	\$ 3,951,163.78
Detail of Fund balance appropriated	\$ 1,212,283.00				
Detail of budget transfers:					
Committed Year End - Encumbrances - Prior Year		\$ 560,502.51			
Add: Education Jobs Fund		10,855.00			
Less: Adjustment		(8,519.49)			
		\$ 562,838.02			
Recapitulation of Fund Balance:				\$ 88,975.40	
Committed Year End - Encumbrances					
Restricted :					
Capital reserve				3,731,746.13	
Maintenance reserve				1,000,000.00	
Excess surplus				1,300,000.00	
Assigned - excess surplus - designated for subsequent year's expenditures				1,281,281.00	
Unassigned				1,109,117.64	
				\$ 8,511,120.17	
Reconciliation to governmental funds statements (GAAP):					
Last Two (2) State Aid Payments not recognized on GAAP basis				(685,921.00)	
Fund balance per governmental funds (GAAP)				\$ 7,825,199.17	

BOARD OF EDUCATION
EWING TOWNSHIP BOARD OF EDUCATION
COUNTY OF MERCER
GENERAL FUND
EDUCATION JOBS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Federal sources:			
Education Jobs Fund	\$ <u>357,339.00</u>	\$ <u>357,339.00</u>	<u> </u>
Total federal sources	\$ <u>357,339.00</u>	\$ <u>357,339.00</u>	<u> </u>
Total revenues	\$ <u>357,339.00</u>	\$ <u>357,339.00</u>	<u> </u>
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Unallocated benefits - employee benefits:			
Health benefits	\$ <u>357,339.00</u>	\$ <u>357,339.00</u>	<u> </u>
Total unallocated benefits	\$ <u>357,339.00</u>	\$ <u>357,339.00</u>	<u> </u>
Total expenditures	\$ <u>357,339.00</u>	\$ <u>357,339.00</u>	<u> </u>

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance Final to Actual
REVENUES:			
Federal Sources	\$ 2,517,938.23	\$ 1,968,143.91	\$ 549,794.32
State Sources	258,956.58	128,550.18	130,406.40
Local Sources		41,088.24	(41,088.24)
Total Revenues	<u>\$ 2,776,894.81</u>	<u>\$ 2,137,782.33</u>	<u>\$ 639,112.48</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 413,913.48	\$ 364,476.06	\$ 49,437.42
Other Purchased Services	680,126.44	680,126.44	
General Supplies	571,794.41	331,619.81	240,174.60
Textbooks	13,980.00	13,807.84	172.16
Other Objects	177,277.00	120,237.27	57,039.73
Total Instruction	<u>\$ 1,857,091.33</u>	<u>\$ 1,510,267.42</u>	<u>\$ 346,823.91</u>
Support Services:			
Salaries	\$ 289,230.14	\$ 285,230.14	\$ 4,000.00
Salaries of Other Professional Staff	37,192.00	27,663.32	9,528.68
Personal Services - Employee Benefits	83,431.44	83,431.44	
Purchased Professional and Technical Services	399,669.60	168,695.34	230,974.26
Other Purchased Services	60,945.84	21,570.88	39,374.96
General Supplies	27,334.46	18,928.79	8,405.67
Total Support Services	<u>\$ 897,803.48</u>	<u>\$ 605,519.91</u>	<u>\$ 292,283.57</u>
Facilities Acquisition and Construction Services:			
Instructional Equipment	\$ 22,000.00	\$ 21,995.00	\$ 5.00
Total Facilities Acquisition and Construction Services	<u>\$ 22,000.00</u>	<u>\$ 21,995.00</u>	<u>\$ 5.00</u>
Total Expenditures	<u>\$ 2,776,894.81</u>	<u>\$ 2,137,782.33</u>	<u>\$ 639,112.48</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	C-1 \$ 61,985,313.15	C-2 \$ 2,137,782.33
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	None
State aid payments recognized per GAAP standards in the current year, previously recognized for budgetary purposes.	589,540.00	None
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(685,921.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 \$ <u>61,888,932.15</u>	B-2 \$ <u>2,137,782.33</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	C-1 \$ 59,798,415.31	C-2 \$ 2,137,782.33
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>N/A</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 \$ <u>59,798,415.31</u>	B-2 \$ <u>2,137,782.33</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Title II				IDEA, Part B					Table 2012
	2011-2012 Part A	2010-2011 Carryover	2009-2010 Carryover	2010-2011 Part D - Tech	2011-2012 Regular Program	2010-2011 Regular Program ARRA	2011-2012 Preschool ARRA	2010-2011 Preschool Carryover	2009-2010 Preschool Carryover	
REVENUES:										
Total Brought Forward (Exh. E-1a)										
State sources	\$ 120,550.18									\$ 120,550.18
Federal sources	500,283.08	\$ 77,064.71	\$ 28,520.72	\$ 50.00	\$ 189.00	\$ 39,770.97	\$ 7,081.70	\$ 9,420.53	\$ 36,997.00	1,968,143.91
Local sources	41,088.24									41,088.24
Total revenues	\$ 749,921.40	\$ 77,064.71	\$ 28,520.72	\$ 50.00	\$ 189.00	\$ 39,770.97	\$ 7,081.70	\$ 9,420.53	\$ 36,997.00	\$ 2,137,702.33
EXPENDITURES:										
Instruction:										
Salaries of teachers	\$ 120,546.44	\$ 44,031.27			\$ 199,988.35					\$ 364,476.06
Purchased professional and technical services					525,235.98	\$ 154,890.46				680,126.44
Other purchased services		9,790.44	\$ 4,382.30	\$ 50.00	\$ 3,287.26	\$ 39,770.97	\$ 7,081.70	\$ 9,420.53	\$ 36,997.00	331,619.81
General supplies	132,280.62									13,807.84
Textbooks	13,807.84									120,237.27
Other Objects	120,237.27									
Total Instruction	\$ 386,872.47	\$ 53,821.71	\$ 4,382.30	\$ 50.00	\$ 3,287.26	\$ 154,890.46	\$ 7,081.70	\$ 9,420.53	\$ 36,997.00	\$ 1,510,287.42
Support services:										
Personal services - salaries	201,484.55									\$ 285,230.14
Salaries of other professional staff	27,213.32	\$ 450.00			\$ 1,869.78					27,663.32
Personal services-employee benefits	\$ 65,069.81	\$ 9,612.00	8,749.63							83,431.44
Purchased professional/technical services	58,114.75	4,135.00	13,480.79		91,954.80					168,685.34
Other Purchased professional/technical services	6.00	9,496.00								9,502.00
Other Purchased professional	3,025.02			\$ 189.00	7,406.86					12,066.88
General supplies	7,215.53				11,713.26					18,928.79
Total support services	\$ 363,049.01	\$ 23,243.00	\$ 24,128.42	\$ 189.00	\$ 103,040.70	\$ 1,869.78				\$ 605,519.91
Facilities acquisition and construction services:										
Instructional equipment								\$ 21,995.00		\$ 21,995.00
Total facilities acquisition and construction services								21,995.00		\$ 21,995.00
Total expenditures	\$ 749,921.40	\$ 77,064.71	\$ 28,520.72	\$ 50.00	\$ 189.00	\$ 156,760.24	\$ 7,081.70	\$ 22,721.81	\$ 36,997.00	\$ 2,137,782.33

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Title I					Title III	Title IV	Nonpublic Textbooks	Totals Carried Forward 2012
	Total Brought Forward (Exh. E-1b)	2011-2012	2010-2011 Carryover	SIA Part A 2010-2011	ARRA Title I-A 2009-2010	2011-2012	Carryover		
REVENUES:									
State sources	\$ 114,742.34								
Federal sources		\$ 349,656.68	\$ 139,849.92	\$ 32,115.41	\$ 41,226.96	\$ 10,255.43	\$ 159.66	\$ 13,807.84	\$ 128,550.18
Local sources	41,088.24								580,283.06
									41,088.24
Total revenues	\$ 155,830.58	\$ 349,656.68	\$ 139,849.92	\$ 32,115.41	\$ 41,226.96	\$ 10,255.43	\$ 159.66	\$ 13,807.84	\$ 749,921.48
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ 7,840.00	\$ 50,102.63	\$ 61,426.81			\$ 1,175.00			\$ 120,546.44
Purchased professional and technical services									
Other purchased services									
General supplies	26,286.74	9,504.87	15,357.71	\$ 26,374.45	\$ 39,426.96	9,080.43	5,934.00	153.68	132,260.92
Textbooks									13,807.84
Other Objects	120,237.27								120,237.27
Total Instruction	\$ 154,366.01	\$ 59,707.60	\$ 76,786.52	\$ 26,374.45	\$ 39,426.96	\$ 10,255.43	\$ 5,934.00	\$ 13,807.84	\$ 386,572.47
Support services:									
Personnel services - salaries		\$ 201,404.59							201,404.59
Salaries of other professional staff		18,213.32	\$ 9,000.00						27,213.32
Personal services-employee benefits		40,854.32	23,450.49			\$ 765.00			\$ 65,069.81
Purchased professional/technical services		28,959.64	29,004.61			250.00	\$ 6.00		59,114.75
Other Purchased professional/technical services									6.00
Other Purchased professional		517.02	708.00		\$ 1,800.00				3,025.02
General supplies	1,464.57			\$ 5,740.96					7,215.53
Total support services	\$ 1,464.57	\$ 289,949.08	\$ 63,093.40	\$ 5,740.96	\$ 1,800.00	\$ 1,015.00	\$ 6.00	\$ 10.00	\$ 363,049.01
Facilities acquisition and construction services:									
Instructional equipment									
Total facilities acquisition and construction services									
Total expenditures	\$ 155,830.58	\$ 349,656.68	\$ 139,849.92	\$ 32,115.41	\$ 41,226.96	\$ 10,255.43	\$ 7,009.00	\$ 159.66	\$ 749,921.48

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CAPITAL PROJECTS FUND

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

<u>Project Title/Issue</u>	<u>Original Date(s)</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Auditorium Upgrade and Various other improvement to the Middle School	08/30/10	\$ 1,875,000.00	\$ 558,511.49	\$ 943,676.47	\$ 372,812.04
Removal and Replacement of Vat Floor Tile and Mastic for High School	08/30/10	49,230.00	3,276.91	1,240.59	44,712.50
Various Improvements to Lore Elementary School	08/30/10	255,000.00	25,558.82	(13,673.82)	243,115.00
Track Resurfacing for High School	05/19/11	414,863.60	10,520.02	404,343.58	
VAT Flooring replacement Anthell Elementary School	08/30/10	35,390.00	3,011.66	32,378.34	
Various District Wide Improvements	11/08/10	821,378.40	93,943.84	239,180.88	488,253.68
2011 Textbooks, Library Books Technology and Renovations	07/15/10	500,000.00	476,144.40	23,855.60	
2012 Textbooks and Equipment	07/15/11	500,000.00		464,668.61	35,331.39
		<u>\$ 3,950,862.00</u>	<u>\$ 1,170,967.14</u>	<u>\$ 2,095,670.25</u>	<u>\$ 1,148,893.22</u>
Reconciliation to F-2					\$ 1,148,893.22
Less - Grant Receivable					(653,839.18)
Less - Adjustment					(211,174.26)
					<u>\$ 283,879.78</u>

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources

Interest on investments	\$ 0.00
Total revenues	\$ 0.00

Expenditures and Other Financing Uses

Purchased professional and technical services	\$ 42,610.16
Construction services	1,587,531.78
Equipment	392,268.67
Textbooks	73,259.64
Total expenditures	\$ 2,095,670.25
Excess(deficiency) of revenues over (under) expenditures	\$ (2,095,670.25)
Other financing sources/(uses):	
Lease Proceeds	500,000.00
Adjustment to correct grant balance	74,372.77
Net change in fund balances	\$ (1,521,297.48)
Fund balance, beginning	1,805,177.26
Fund balance, ending	\$ 283,879.78

Reconciliation to (B-1) and (F-1)

Fund balance per Schedules	B-1	\$ 937,718.96
Less: Grant Proceeds realized	B-1	(653,839.18)
Balance	F-1	\$ 283,879.78

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF MIDDLE SCHOOL AUDITORIUM AND VARIOUS OTHER IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SDA Grant	\$ 750,000.00		\$ 750,000.00	\$ 750,000.00
Capital Lease	1,125,000.00		1,125,000.00	1,125,000.00
Total revenues	\$ 1,875,000.00		\$ 1,875,000.00	\$ 1,875,000.00
Expenditures and Other Financing Uses				
Purchased professional and technical services	\$ 113,321.74	\$ 8,435.74	\$ 121,757.48	\$ 121,757.48
Construction services	445,189.75	935,240.73	1,380,430.48	1,380,430.48
Total expenditures	\$ 558,511.49	\$ 943,676.47	\$ 1,502,187.96	\$ 1,502,187.96
Excess (deficiency) of revenues over/(under) expenditures	\$ 1,316,488.51	\$ (943,676.47)	\$ 372,812.04	\$ 372,812.04
Additional project information:				
Project Number	1430-060-10-1002			
Grant Date	9/10/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,875,000.00			
Additional Authorized Cost	0.00			
Revised Authorized Cost	\$ 1,875,000.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	80.12%			
Original target completion date	N/A			
Revised target completion date	2012-2013			

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REMOVAL AND REPLACEMENT OF VAT FLOOR TILE AND MASTIC FOR HIGH SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SDA Grant	\$ 19,692.00		\$ 19,692.00	\$ 19,692.00
Capital lease	29,538.00		29,538.00	29,538.00
Total revenues	<u>\$ 49,230.00</u>		<u>\$ 49,230.00</u>	<u>\$ 49,230.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	<u>3,276.91</u>	<u>\$ 1,240.59</u>	<u>\$ 4,517.50</u>	<u>\$ 4,517.50</u>
Total expenditures	<u>\$ 3,276.91</u>	<u>\$ 1,240.59</u>	<u>\$ 4,517.50</u>	<u>\$ 4,517.50</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 45,953.09</u>	<u>\$ (1,240.59)</u>	<u>\$ 44,712.50</u>	<u>\$ 44,712.50</u>
Additional project information:				
Project Number	1430-050-10-1001			
Grant Date	9/30/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 49,230.00			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 49,230.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	9.18%			
Original target completion date	N/A			
Revised target completion date	2012-2013			

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENT TO LORE ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SDA Grant	\$ 102,000.00		\$ 102,000.00	\$ 102,000.00
Capital lease	153,000.00		153,000.00	153,000.00
Total revenues	<u>\$ 255,000.00</u>		<u>\$ 255,000.00</u>	<u>\$ 255,000.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	\$ 25,558.82	\$ (23,991.32)	\$ 1,567.50	\$ 1,567.50
Construction services		10,317.50	10,317.50	10,317.50
Total expenditures	<u>\$ 25,558.82</u>	<u>\$ (13,673.82)</u>	<u>\$ 11,885.00</u>	<u>\$ 11,885.00</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 229,441.18</u>	<u>\$ 13,673.82</u>	<u>\$ 243,115.00</u>	<u>\$ 243,115.00</u>

Additional project information:

Project Number	1430-105-10-1003
Grant Date	9/30/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 255,000.00
Additional Authorized Cost	0.00
Revised Authorized Cost	\$ 255,000.00

Percentage Increase over Original

Authorized Cost	N/A
Percentage completion	4.66%
Original target completion date	2012-2013

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
VAT FLOORING REPLACEMENT ANTHEIL ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SDA Grant	\$ 14,156.00		\$ 14,156.00	\$ 14,156.00
Capital Lease	21,234.00		21,234.00	21,234.00
Total revenues	\$ 35,390.00		\$ 35,390.00	\$ 35,390.00
Expenditures and Other Financing Uses				
Purchased professional and technical services	\$ 3,011.66		\$ 3,011.66	\$ 3,011.66
Construction services		\$ 32,378.34	32,378.34	32,378.34
Total expenditures	\$ 3,011.66	\$ 32,378.34	\$ 35,390.00	\$ 35,390.00
Excess (deficiency) of revenues over/(under) expenditures	\$ 32,378.34	\$ (32,378.34)		

Additional project information:

Project Number	1430-140-10-1004
Grant Date	8/30/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 35,390.00
Additional Authorized Cost	0.00
Revised Authorized Cost	\$ 35,390.00

Percentage Increase over Original

Authorized Cost	N/A
Percentage completion	100.00%
Original target completion date	
Revised target completion date	2011-2012

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
TRACK RESURFACING FOR HIGH SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Lease	\$ <u>415,940.00</u>	\$ <u>(1,076.40)</u>	\$ <u>414,863.60</u>	\$ <u>414,863.60</u>
Total revenues	\$ <u>415,940.00</u>	\$ <u>(1,076.40)</u>	\$ <u>414,863.60</u>	\$ <u>414,863.60</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	\$ <u>10,520.02</u>	\$ <u>6,979.98</u>	\$ <u>17,500.00</u>	\$ <u>17,500.00</u>
Construction services		<u>397,363.60</u>	<u>397,363.60</u>	<u>397,363.60</u>
Total expenditures	\$ <u>10,520.02</u>	\$ <u>404,343.58</u>	\$ <u>414,863.60</u>	\$ <u>414,863.60</u>
Excess (deficiency) of revenues over/(under) expenditures	\$ <u><u>405,419.98</u></u>	\$ <u><u>(405,419.98)</u></u>	<u><u> </u></u>	<u><u> </u></u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 415,940.00			
Additional Authorized Cost	0.00			
Revised Authorized Cost	\$ 415,940.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100.00%			
Original target completion date	2011-2012			

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS DISTRICT WIDE IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - Grant	\$ 43,780.00		\$ 43,780.00	\$ 43,780.00
Capital Lease	<u>776,522.00</u>	<u>\$ 1,076.40</u>	<u>777,598.40</u>	<u>777,598.40</u>
Total revenues	<u>\$ 820,302.00</u>	<u>\$ 1,076.40</u>	<u>\$ 821,378.40</u>	<u>\$ 821,378.40</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	\$ 61,697.94	\$ 49,945.17	\$ 111,643.11	\$ 111,643.11
Construction services	9,250.00	212,231.61	221,481.61	221,481.61
Equipment	<u>22,995.90</u>	<u>(22,995.90)</u>		
Total expenditures	<u>\$ 93,943.84</u>	<u>\$ 239,180.88</u>	<u>\$ 333,124.72</u>	<u>\$ 333,124.72</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 726,358.16</u>	<u>\$ (238,104.48)</u>	<u>\$ 488,253.68</u>	<u>\$ 488,253.68</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 820,302.00			
Additional Authorized Cost	0.00			
Revised Authorized Cost	\$ 802,302.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	40.56%			
Original target completion date	2012-2013			

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
TEXT BOOKS, LIBRARY BOOKS, TECHNOLOGY AND RENOVATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Lease	\$ 500,000.00		\$ 500,000.00	\$ 500,000.00
Total revenues	\$ 500,000.00		\$ 500,000.00	\$ 500,000.00
Expenditures and Other Financing Uses				
Purchased professional and technical services	\$ 500.00		\$ 500.00	\$ 500.00
Equipment	393,726.49	\$ 23,855.60	417,582.09	417,582.09
Textbook	81,917.91		81,917.91	81,917.91
Total expenditures	\$ 476,144.40	\$ 23,855.60	\$ 500,000.00	\$ 500,000.00
Excess (deficiency) of revenues over/(under) expenditures	\$ 23,855.60	\$ (23,855.60)		

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 500,000.00
Additional Authorized Cost	0.00
Revised Authorized Cost	\$ 500,000.00

Percentage Increase over Original

Authorized Cost	N/A
Percentage completion	100.00%
Original target completion date	2011-2012

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
TEXT BOOKS, LIBRARY BOOKS, TECHNOLOGY AND RENOVATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Lease	<u> </u>	<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>
Total revenues	<u>\$ 0.00</u>	<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>
Expenditures and Other Financing Uses				
Equipment	<u> </u>	<u>\$ 391,408.97</u>	<u>\$ 391,408.97</u>	<u>\$ 391,408.97</u>
Textbook	<u> </u>	<u>73,259.64</u>	<u>73,259.64</u>	<u>73,259.64</u>
Total expenditures	<u>\$ 0.00</u>	<u>\$ 464,668.61</u>	<u>\$ 464,668.61</u>	<u>\$ 464,668.61</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 0.00</u>	<u>\$ 35,331.39</u>	<u>\$ 35,331.39</u>	<u>\$ 35,331.39</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 500,000.00			
Additional Authorized Cost	0.00			
Revised Authorized Cost	\$ 500,000.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	92.93%			
Original target completion date	2012-2013			

**PROPRIETARY FUNDS –
ENTERPRISE FUND**

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
PROPRIETARY FUND
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Business-Type Activities Enterprise Fund		
	<u>Food Service Total Enterprise</u>	<u>Extended Day Program</u>	<u>Total Enterprise</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 263,979.46	\$ 265,403.23	\$ 529,382.69
Accounts Receivable:			
State Sources	1,033.66		1,033.66
Federal Sources	40,004.79		40,004.79
Other	29,367.75	10,040.92	39,408.67
Inventories	31,567.96		31,567.96
Total Current Assets	\$ 365,953.62	\$ 275,444.15	\$ 641,397.77
<u>NON-CURRENT ASSETS</u>			
Furniture, Machinery and Equipment	\$ 392,926.00		\$ 392,926.00
Less: Accumulated Depreciation	327,644.36		327,644.36
Total Noncurrent Assets	\$ 65,281.64		\$ 65,281.64
Total Assets	\$ 431,235.26	\$ 275,444.15	\$ 706,679.41
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 18,400.89	\$ 2,824.79	\$ 21,225.68
Deferred Revenue	15,461.77		15,461.77
Total Current Liabilities	\$ 33,862.66	\$ 2,824.79	\$ 36,687.45
<u>NET ASSETS</u>			
Invested in Capital Assets Net of Related Debt	\$ 65,281.64		\$ 65,281.64
Unrestricted	332,090.96	\$ 272,619.36	604,710.32
Total Net Assets	\$ 397,372.60	\$ 272,619.36	\$ 669,991.96
Total liabilities and net assets	\$ 431,235.26	\$ 275,444.15	\$ 706,679.41

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities Enterprise Fund		
	Food Service Total Enterprise	Extended Day Program	Total Enterprise
<u>OPERATING REVENUES</u>			
Local Sources:			
Daily sales - reimbursable programs:	\$ 820,410.35		\$ 820,410.35
User Fees		\$ 479,653.12	479,653.12
Total operating revenues	\$ 820,410.35	\$ 479,653.12	\$ 1,300,063.47
<u>OPERATING EXPENSES</u>			
Cost of sales	\$ 604,593.75		\$ 604,593.75
Salaries	718,469.71	\$ 347,752.97	1,066,222.68
Employee benefits	179,169.36	4,072.00	183,241.36
General Supplies	71,723.27	43,903.30	115,626.57
Miscellaneous	44,989.87	1,572.69	46,562.56
Depreciation	8,166.00		8,166.00
Total operating expenses	\$ 1,627,111.96	\$ 397,300.96	\$ 2,024,412.92
Operating income/(loss)	\$ (806,701.61)	\$ 82,352.16	(724,349.45)
<u>NONOPERATING REVENUES</u>			
State sources:			
State school lunch program	\$ 17,180.17		\$ 17,180.17
Federal sources:			
National school lunch program	557,869.68		557,869.68
School breakfast program	69,581.39		69,581.39
Food distribution system	100,659.94		100,659.94
Total nonoperating revenues	\$ 745,291.18		\$ 745,291.18
Income/(loss) before contributions and transfers	\$ (61,410.43)	\$ 82,352.16	\$ 20,941.73
Change in net assets	\$ (61,410.43)	\$ 82,352.16	\$ 20,941.73
Total net assets - beginning	458,783.03	190,267.20	649,050.23
Total net assets - ending	\$ 397,372.60	\$ 272,619.36	\$ 669,991.96

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MECER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities Enterprise Fund		Total Enterprise
	Food Service Total Enterprise	Extended Day Program	
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 817,410.52	\$ 482,317.04	\$ 1,299,727.56
Payments to Employees	(897,639.07)	(351,824.97)	(1,249,464.04)
Payments to Suppliers	(609,261.37)	(42,480.06)	(651,741.43)
Net Cash Provided by/(Used for) Operating Activities	\$ (689,489.92)	\$ 83,940.01	\$ (605,549.91)
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 68,832.52		\$ 68,832.52
Federal Sources	573,421.24		573,421.24
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ 642,253.76		\$ 642,253.76
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (47,236.16)	\$ 83,940.01	\$ 36,703.85
Balances - Beginning of Year	311,215.62	181,463.22	492,678.84
Balances - End of Year	\$ 263,979.46	\$ 265,403.23	\$ 529,382.69
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Gain/(Loss)	\$ (806,701.61)	\$ 82,352.16	\$ (724,349.45)
Adjustments to Reconcile Operating Loss to Cash Provided/ (Used) by Operating Activities:			
Depreciation	\$ 8,166.00		\$ 8,166.00
Federal Commodities	100,659.94		100,659.94
Change in Assets and Liabilities:			
Decrease/(Increase) in Accounts Receivable	(1,052.48)	\$ 3,149.52	2,097.04
Decrease/(Increase) in Inventories	2,224.20		2,224.20
(Decrease) in Encumbrances	(646.35)	(1,089.60)	(1,735.95)
Increase/(Decrease) in Accounts Payable	7,889.32	(472.07)	7,417.25
(Decrease)/Increase in Deferred Revenue	(28.94)		(28.94)
Total Adjustments	\$ 117,211.69	\$ 1,587.85	\$ 118,799.54
Net Cash Provided/(Used) by Operating Activities	\$ (689,489.92)	\$ 83,940.01	\$ (605,549.91)

FIDUCIARY FUNDS

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
TRUST AND AGENCY FUNDS
JUNE 30, 2012

	<u>Student</u>	<u>Agency</u>	<u>Total</u>	<u>Private Purpose</u>	<u>Total</u>
	<u>Activity</u>	<u>Payroll</u>	<u>Trust Funds</u>	<u>Scholarship</u>	<u>Agency Funds</u>
				<u>Trust Funds</u>	
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 83,009.23	\$ 427,445.75	\$ 510,454.98	\$ 7,528.06	\$ 517,983.04
Total Assets	<u>\$ 83,009.23</u>	<u>\$ 427,445.75</u>	<u>\$ 510,454.98</u>	<u>\$ 7,528.06</u>	<u>\$ 517,983.04</u>
<u>LIABILITIES</u>					
Payable to Student Groups	\$ 83,009.23		\$ 83,009.23		\$ 83,009.23
Payroll Deductions and Withholdings		\$ 335,542.58	335,542.58		335,542.58
Interfund Payable - General Fund		91,903.17	91,903.17		91,903.17
Total Liabilities	<u>\$ 83,009.23</u>	<u>\$ 427,445.75</u>	<u>\$ 510,454.98</u>		<u>\$ 510,454.98</u>
<u>NET ASSETS</u>					
Reserved for Scholarships				\$ 7,528.06	\$ 7,528.06
Total Net Assets				<u>\$ 7,528.06</u>	<u>\$ 7,528.06</u>

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Private Purpose Scholarship Fund</u>
<u>ADDITIONS</u>	
Interest Earned	\$ <u>4.35</u>
Total Additions	\$ <u>4.35</u>
<u>DEDUCTIONS</u>	
Scholarships Awarded	\$ <u>1,000.00</u>
Total Deductions	\$ <u>1,000.00</u>
Change in Net Assets	\$ (995.65)
Total Net Assets - Beginning of the Year	<u>8,523.71</u>
Total Net Assets - Ending of the Year	\$ <u><u>7,528.06</u></u>

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Middle School:				
Fisher Middle School	\$ <u>7,468.37</u>	\$ <u>38,776.62</u>	\$ <u>31,915.75</u>	\$ <u>14,329.24</u>
Total Middle School	\$ <u>7,468.37</u>	\$ <u>38,776.62</u>	\$ <u>31,915.75</u>	\$ <u>14,329.24</u>
High Schools:				
Ewing High School	\$ <u>80,258.35</u>	\$ <u>132,932.47</u>	\$ <u>148,831.96</u>	\$ <u>64,358.86</u>
Athletic Account	<u>6,703.66</u>	<u>72,160.69</u>	<u>74,543.22</u>	<u>4,321.13</u>
Total High School	\$ <u>86,962.01</u>	\$ <u>351,380.00</u>	\$ <u>223,375.18</u>	\$ <u>68,679.99</u>
Total All Schools	\$ <u><u>94,430.38</u></u>	\$ <u><u>390,156.62</u></u>	\$ <u><u>255,290.93</u></u>	\$ <u><u>83,009.23</u></u>

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 220,321.44	\$ 38,538,581.17	\$ 38,331,456.86	\$ 427,445.75
Interfund Receivable - General Fund	<u>10,675.40</u>	<u> </u>	<u>10,675.40</u>	<u> </u>
Total Assets	<u>\$ 230,996.84</u>	<u>\$ 38,538,581.17</u>	<u>\$ 38,342,132.26</u>	<u>\$ 427,445.75</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 228,453.91	\$ 16,657,690.30	\$ 16,553,611.95	\$ 332,532.26
Interfunds Payable General Fund		91,903.17		91,903.17
Net Pay	<u>2,542.93</u>	<u>21,788,987.70</u>	<u>21,788,520.31</u>	<u>3,010.32</u>
Total Liabilities	<u>\$ 230,996.84</u>	<u>\$ 38,538,581.17</u>	<u>\$ 38,342,132.26</u>	<u>\$ 427,445.75</u>

LONG-TERM DEBT

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2012

Issue	Original		Annual Maturities		Interest Rate	Balance	
	Date of Original Issue	Amount of Issue	Date	Amount		July 1, 2011	June 30, 2012
Refunding Bonds 2003	3/1/2003	\$ 22,875,000	8/1/2012	\$ 2,410,000	3.30%		
			8/1/2013	2,490,000	3.40%		
			8/1/2014	2,570,000	3.70%		
			8/1/2015	2,665,000	3.75%		
			8/1/2016	3,370,000	5.00%		
			8/1/2017	1,655,000	4.00%	\$ 17,470,000	\$ 15,160,000
Taxable Refunding Bonds 2003	7/1/2002	\$ 4,735,000	12/1/2012	\$ 480,000	5.000%		
			12/1/2013	505,000	5.000%		
			12/1/2014	535,000	5.125%		
			12/1/2015	560,000	5.200%	\$ 2,540,000	\$ 2,080,000
Early Retirement Bond	5/1/2005	\$ 13,550,000	5/1/2013	\$ 800,000	4.80%		
			5/1/2014	850,000	4.80%		
			5/1/2015	900,000	4.80%		
			5/1/2016	950,000	4.80%		
			5/1/2017	1,290,000	4.90%		
			5/1/2018	1,365,000	5.00%		
			5/1/2019	1,450,000	5.00%		
			5/1/2020	1,535,000	5.00%	\$ 9,895,000	\$ 9,140,000

**BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2012**

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012
	Date of Original Issue	Amount of Issue	Date	Amount				
Early Retirement Bond	5/1/2006	\$ 1,640,000	5/1/2013	\$ 180,000	5.690%			
			5/1/2014	190,000	5.690%			
			5/1/2015	200,000	5.690%			
			5/1/2016	205,000	5.690%	\$ 940,000	\$ 165,000	\$ 775,000
Series 2007	9/15/2007	\$ 13,280,000	9/15/2012	1,505,000	3.750%			
			9/15/2013	1,570,000	3.750%			
			9/15/2014	1,645,000	3.750%			
			9/15/2015	1,715,000	3.750%			
			9/15/2016	1,795,000	3.875%	\$ 9,575,000	\$ 1,345,000	\$ 8,230,000
Total						\$ 40,420,000	\$ 5,035,000	\$ 35,385,000
							ERIP	\$ 11,995,000
							Other	23,390,000
								\$ 35,385,000

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2012

<u>Series</u>	<u>Interest</u> <u>Rate Payable</u>	<u>Amount of</u> <u>Original Issue</u>	<u>Balance</u> <u>July 1, 2011</u>	<u>Issued</u> <u>Current Year</u>	<u>Retired</u> <u>Current Year</u>	<u>Balance</u> <u>June 30, 2012</u>
Textbooks, Library Books, Technology and Renovations	3.36%	\$ 2,000,000.00	\$ 838,792.31		\$ 412,466.71	\$ 426,325.60
Textbooks, Library Books, Technology and Renovations	4.07%	1,150,000.00	243,627.60		243,627.60	
Textbooks, Library Books, Technology and Renovations	3.66%	845,000.00	612,941.16		197,014.99	415,926.17
Textbooks, Library Books, Technology and Renovations	3.15%	500,000.00	394,244.64		94,027.06	300,217.58
Buildings and Grounds	2.049%	2,500,000.00	2,400,000.00		200,000.00	2,200,000.00
Various Equipment	1.94%	500,000.00		\$ 500,000.00		500,000.00
			<u>\$ 4,489,605.71</u>	<u>\$ 500,000.00</u>	<u>\$ 1,147,136.36</u>	<u>\$ 3,842,469.35</u>

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,879,200.00		\$ 5,879,200.00	\$ 5,879,200.00	
State Sources:					
Debt Service Aid Type II	798,994.00		798,994.00	798,994.00	
Total - Local Sources					
Total Revenues	\$ 6,678,194.00		\$ 6,678,194.00	\$ 6,678,194.00	
	\$ 6,678,194.00		\$ 6,678,194.00	\$ 6,678,194.00	
EXPENDITURES:					
Early Retirement Bonds:					
Interest	\$ 655,437.26		\$ 655,437.26	\$ 655,437.26	
Redemption of Principal	1,380,000.00		1,380,000.00	1,380,000.00	
Regular Debt Service:					
Interest	987,755.01		987,755.01	987,755.01	
Redemption of Principal	3,655,000.00		3,655,000.00	3,655,000.00	
Total Regular Debt Service	\$ 6,678,192.27		\$ 6,678,192.27	\$ 6,678,192.27	
Total Expenditures	\$ 6,678,192.27		\$ 6,678,192.27	\$ 6,678,192.27	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
	\$ 1.73		\$ 1.73	\$ 1.73	
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 1.73		\$ 1.73	\$ 1.73	
Fund Balance, July 1	3.16		3.16	3.16	
Fund Balance, June 30	\$ 4.89		\$ 4.89	\$ 4.89	
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures:					
Budgeted Fund Balance	\$ 4.89		\$ 4.89	\$ 4.89	

STATISTICAL TABLES (SECTION)
(UNAUDITED)

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
INTRODUCTION TO STATISTICAL TABLES (SECTION)
(UNAUDITED)

<u>Contents</u>	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 & J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

FINANCIAL TRENDS

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
NET ASSETS BY COMPONENT
LAST SIX (6) FISCAL YEARS
(UNAUDITED)

(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2007	2008	2009	2010	2011 *
					2012
Governmental activities					
Invested in capital assets, net of related debt	\$ 2,944,734	\$ 6,729,564	\$ 11,836,921	\$ (2,917,404)	
Restricted	5,215,535	3,545,604	2,582,736	2,233,552	\$ 1,006,547
Unrestricted	(15,343,818)	(12,654,451)	(12,929,895)	(887,097)	(594,731)
Total governmental activities net assets	\$ (7,183,549)	\$ (2,379,283)	\$ 1,489,762	\$ (1,570,949)	\$ 4,879,650
Business-type activities					
Invested in capital assets, net of related debt				\$ 81,614	\$ 73,448
Restricted	\$ 60,255	\$ 43,512	\$ 66,313		
Unrestricted	589,867	460,536	189,901	192,423	575,603
Total business-type activities net assets	\$ 650,122	\$ 504,048	\$ 256,214	\$ 274,037	\$ 649,050
District-wide					
Invested in capital assets, net of related debt	\$ 2,944,734	\$ 6,729,564	\$ 11,836,921	\$ (2,835,790)	\$ 73,448
Restricted	5,275,790	3,589,116	2,649,049	2,233,552	5,633,968
Unrestricted	(14,753,951)	(12,193,915)	(12,739,994)	(694,674)	(178,716)
Total district net assets	\$ (6,533,427)	\$ (1,875,235)	\$ 1,745,976	\$ (1,296,912)	\$ 5,528,700
					\$ 1,081,808

* Adjustment made to Fixed Assets

Source: CAFR Exhibit A-1

Note: Only the last six years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2005.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CHANGES IN NET ASSETS
LAST SEVEN (7) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30					
	2006	2007	2008	2009	2010	2011
						2012
Expenses						
Governmental activities:						
Instruction:						
Regular	\$ 17,209,163	\$ 18,055,538	\$ 17,981,904	\$ 18,825,564	\$ 19,772,911	\$ 17,970,387
Special education	4,036,523	4,330,440	4,597,060	4,783,044	5,049,236	4,895,503
Other special instruction	220,428	262,497	255,987	288,490	280,425	257,520
Other instruction	898,144	871,230	884,959	943,134	967,749	862,764
Support Services & Undistributed Costs:						
Tuition	3,721,375	3,270,330	3,378,667	3,185,058	2,946,318	3,063,509
Attendance & social work services	172,219	166,278	183,705	185,467	185,889	185,152
Health services	663,573	676,020	742,722	733,496	787,719	767,682
Student & instruction related services	3,157,538	3,183,707	3,397,501	3,452,967	3,490,190	4,750,846
Educational media services/school library	880,391	415,428	663,589	493,412	394,917	401,944
Instructional staff training	57,008	60,286	38,263	63,856	38,000	6,684
School administrative services	507,253	462,146	472,458	585,810	548,256	547,941
Other administrative services	3,692,435	3,339,579	3,449,960	3,421,320	3,546,340	3,125,511
Plant operations & maintenance	3,943,968	4,355,360	4,426,814	4,576,259	4,706,129	4,310,875
Pupil transportation	2,387,683	2,598,027	2,827,609	2,922,191	2,884,305	2,824,246
Business & other support services						
Unallocated benefits	11,506,976	14,010,209	14,019,653	11,706,971	14,416,242	15,594,683
Special schools						
Early retirement incentive program	1,842,843					
Interest on long-term debt	2,807,082	2,736,025	2,435,519	2,055,366	2,177,581	1,900,019
Transfer to Charter Schools					22,191	32,114
Scholarships Awarded					800	1,000
Increase/decrease in compensated absences	203,609	273,219	(394,414)	648,600	134,024	(87,666)
Unallocated depreciation	1,953,429	635,521	1,075,387	1,206,402	1,362,866	1,181,668
Amortization of bond issuance costs	15,752	15,752	24,443	24,443	24,443	24,443
Amortization of loss on early retirement of debt	120,581	120,581	126,336	126,336	126,336	126,336
Total governmental activities expenses	\$ 59,997,973	\$ 59,838,173	\$ 60,588,122	\$ 60,228,186	\$ 63,862,868	\$ 62,744,160
						\$ 65,527,138

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EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CHANGES IN NET ASSETS
LAST SEVEN (7) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30					
	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 41,533,441	\$ 40,896,413	\$ 42,033,134	\$ 43,106,179	\$ 42,238,825	\$ 46,827,872
Taxes levied for debt service	5,078,709	5,815,737	5,176,991	4,469,798	5,310,395	5,853,103
Federal & State aid not restricted	13,524,040	15,825,667	16,097,493	15,039,282	14,389,904	14,268,387
Tuition received	120,900	217,635	213,661	251,067		
Miscellaneous Income	356,133	2,129,247	386,885	65,998	76,454	420,747
Transfer to charter school	(15,509)	(8,801)	(36,558)	(31,234)		
Donated Fixed Assets						244,637
Grant Proceeds			356,971	535		294,324
Cancellation of prior year accounts payable		35,000				
Operating transfer in/(out)						
Total governmental activities	\$ 60,697,714	\$ 64,910,898	\$ 64,228,577	\$ 62,901,625	\$ 62,015,578	\$ 67,909,070
Business-type activities:						
Operating transfer in/(out)		\$ (35,000)			\$ 26,860	
Special and Extraordinary Items, Net						
	-	\$ (35,000)	-	-	\$ 26,860	\$ (10,796,318)
Total business-type activities						
	\$ 60,697,714	\$ 64,875,898	\$ 64,228,577	\$ 62,901,625	\$ 62,042,438	\$ 67,909,070
Total district-wide						
	\$ 60,697,714	\$ 64,875,898	\$ 64,228,577	\$ 62,901,625	\$ 62,042,438	\$ 59,894,339
Change in Net Assets						
Governmental activities	\$ 4,018,324	\$ 6,256,245	\$ 4,804,267	\$ 3,869,044	\$ (638,158)	\$ 6,450,700
Business-type activities	168,693	(38,922)	(146,074)	(247,834)	17,822	375,014
Total district	\$ 4,187,017	\$ 6,217,323	\$ 4,658,193	\$ 3,621,210	\$ (620,336)	\$ 6,825,713
						\$ (4,446,891)

Source: CAFR Exhibit A-2

Note: Only the last seven years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2004.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
FUND BALANCES - GOVERNMENTAL FUNDS
LAST SEVEN (7) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2006	2007	2008	2009	2010	2011	2012
General Fund:							
Reserved	\$ 8,989,574	\$ 5,822,580	\$ 5,481,994	\$ 5,276,918	\$ 2,224,046	\$ 4,664,529	\$6,716,082
Unreserved	(3,293,147)	765,441	849,579	494,515	1,077,553	1,070,154	1,109,118
Total general fund	\$ 5,696,427	\$ 6,588,021	\$ 6,331,573	\$ 5,771,433	\$ 3,301,599	\$ 5,734,682	\$7,825,199
All Other Governmental Funds:							
Reserved					\$ 2,563		
Unreserved, reported in:							
Special revenue fund	\$ (8,120)	\$ (8,120)	\$ (8,120)			\$ 2,099,501	937,719
Capital projects fund	47,225					3	5
Debt service fund	55,076	1,875,746	1,625,216	\$ 392,109	2	8,524	7,528
Permanent fund	5,540	10,731	10,742	10,495	9,507		
Total all other governmental funds	\$ 99,721	\$ 1,878,357	\$ 1,627,838	\$ 402,604	\$ 12,072	\$ 2,108,028	\$ 945,252

Source: CAFR Schedule B-1

Note: Only the last seven years of information is presented as GASB 34 was implemented during fiscal year ended June 30, 2004.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Local Tax levy	\$ 40,840,535	\$ 41,792,712	\$ 42,727,274	\$ 46,712,150	\$ 46,712,150	\$ 47,210,125	\$ 47,575,977	\$ 47,549,220	\$ 52,680,975	\$ 53,447,792
Tuition charges	165,676	72,343	69,801	120,900	217,635	213,561	251,067	268,329	483,774	385,973
Miscellaneous	515,234	180,500	161,896	490,262	2,369,145	606,869	317,702	145,513	420,747	289,556
State sources	10,679,364	11,684,390	12,269,031	14,957,365	14,715,078	15,369,807	14,177,556	11,677,180	12,734,165	14,191,605
Federal sources	1,399,112	1,501,985	1,525,702	1,751,128	2,054,211	1,671,514	1,805,627	3,653,527	2,276,238	2,409,987
Total revenue	53,600,921	55,231,930	56,753,704	64,031,806	66,068,219	65,071,976	64,127,929	63,293,769	68,655,899	70,704,913
Expenditures										
Instruction										
Regular instruction	17,846,219	18,856,679	17,910,195	18,265,260	19,375,013	18,959,324	19,954,420	20,171,262	19,207,265	19,109,145
Special education instruction	3,362,749	3,730,978	3,711,535	4,036,523	4,330,440	4,597,060	4,783,044	5,049,236	4,895,503	5,970,744
Other special instruction	254,101	264,447	236,127	220,428	262,497	255,887	288,490	280,425	257,520	242,258
Other instruction	892,682	985,177	830,014	898,144	871,230	884,959	943,134	967,749	862,764	857,588
Support services & undistributed costs:										
Tuition	3,328,678	3,761,937	3,891,431	3,721,375	3,270,330	3,378,667	3,185,058	2,946,318	3,063,509	2,940,463
Attendance & social work services	127,400	147,278	161,729	172,219	166,278	183,705	185,467	185,889	186,152	192,438
Health services	539,516	639,042	632,769	663,573	676,020	742,722	733,496	787,719	767,882	696,547
Student & instruction related services	3,305,962	2,797,833	2,854,345	3,167,538	3,183,707	3,397,501	3,452,967	3,490,191	4,750,846	4,378,773
Educational media services/school library	507,143	492,361	436,253	418,342	415,428	418,904	424,414	394,917	401,944	445,647
Instructional staff training	62,044	86,526	46,517	57,008	60,286	38,293	63,856	38,000	6,684	8,380
School administrative services	639,787	644,638	503,501	507,253	462,145	472,458	585,810	548,256	547,941	671,631
Other administrative services	2,258,965	2,378,126	3,536,771	3,682,435	3,339,579	3,449,950	3,421,320	3,546,340	3,125,511	3,196,545
Plant operation & maintenance	3,520,813	3,671,072	3,681,785	3,943,968	4,355,360	4,426,814	4,517,439	4,705,129	4,310,875	4,816,906
Pupil transportation	2,182,909	2,237,817	2,411,194	2,387,683	2,598,027	2,827,609	2,922,191	2,884,305	2,824,246	3,010,490
Business & other support services	783,764	783,330	1,758							
Unallocated benefits	8,665,819	10,259,545	10,416,304	11,506,976	14,010,209	14,019,653	11,706,971	13,186,242	14,299,683	15,134,085
Debt service:										
Principal	2,410,000	2,520,000	2,590,000	3,195,000	3,970,000	4,175,000	4,420,000	4,610,000	4,810,000	5,035,000
Interest	2,567,874	2,546,161	2,326,288	2,817,891	2,792,015	2,468,286	2,226,806	2,030,743	1,847,681	1,643,192
Capital outlay	15,105,540	2,773,245	1,037,582	1,010,910	235,623	3,041,968	2,813,187	1,342,031	1,542,138	2,348,685
Early retirement incentive program			13,564,227	1,842,843						
Special schools	144,185	143,341	72,180							
Transfer to Charter School					8,801		31,234	22,191	32,114	9,583
Scholarships Awarded								800	1,000	1,000
Total expenditures	66,707,150	59,919,533	70,792,505	62,515,369	64,382,989	67,795,398	66,659,304	67,188,744	67,741,056	70,711,060
Excess (Deficiency) of revenues over (under) expenditures	(15,106,229)	(4,687,603)	(14,038,801)	1,516,437	1,685,230	(2,723,422)	(2,531,375)	(3,894,975)	914,843	(6,147)

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing sources (uses)										
Transfers in	\$ 64,661									
Transfers out	(64,661)	\$ (23,975)	\$ (48,359)	\$ (15,509)	\$ 35,000	\$ 356,971	\$ 535		\$ 294,324	\$ 359,516
Cancellation of prior year accounts payable									2,500,000	500,000
Grant Proceeds										
Lease Proceeds			13,550,000	1,640,000						
Proceeds from bond issue		1,321,277	1,000,000	1,000,000	950,000	1,859,486	745,466	\$ 1,034,907	819,873	74,373
Capital leases										
Adjustments to correct balances										
Total other financing sources (uses)	-	1,257,302	14,501,641	2,624,491	985,000	2,216,457	746,001	1,034,907	3,614,197	933,888
Net change in fund balances	\$ (15,106,228)	\$ (3,390,301)	\$ 462,840	\$ 4,140,928	\$ 2,670,230	\$ (506,965)	\$ (1,785,374)	\$ (2,860,068)	\$ 4,529,040	\$ 927,741
Debt service as a percentage of noncapital expenditures	3.86%	4.64%	3.89%	5.35%	6.45%	6.39%	6.85%	7.08%	7.30%	7.29%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year and June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Transportation Jointures	Contributions & Donations	Refunds of Prior Year Expenditures	Rentals	Adult Education	Miscellaneous	Total
2003	213,834	112,459	-	-	657	11,110	76,979	22,454	437,493
2004	23,335	93,244	2,413	-	2,120	11,686	64,751	52,869	250,418
2005	54,005	69,801	4,447	8,380	2,596	19,564	-	36,369	195,162
2006	274,515	120,901	13,229	5,000	6,271	14,551	-	55,795	490,262
2007	430,784	174,569	22,263	-	2,630	750	-	109,433	740,429
2008	340,396	213,661	6,323	-	6,798	1,005	-	130,298	698,481
2009	42,570	251,067	637	-	55,509	900	-	142,363	493,046
2010	514	268,329	-	-	23,431	1,622	-	50,775	344,671
2011	-	483,774	-	-	117	10,354	-	306,052	800,297
2012	-	365,973	-	-	-	1,645	-	246,819	614,436

Source: District records

REVENUE CAPACITY

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Rep.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2003	18,031,500	1,228,679,400	461,700	64,500	402,189,250	19,579,500	65,441,300	1,734,447,150	12,638,000	1,747,085,150	451,487,708	2.360
2004	16,982,100	1,238,186,200	461,700	64,500	411,333,350	19,927,200	60,871,500	1,747,826,550	10,956,439	1,758,782,989	711,698,743	2.400
2005	21,225,300	1,259,468,500	461,700	64,500	404,333,450	17,769,300	68,866,500	1,772,191,250	10,783,967	1,782,975,217	858,546,606	2.510
2006	20,374,200	1,268,421,600	461,700	64,500	416,137,000	16,637,300	67,218,500	1,789,314,800	9,451,904	1,798,766,704	1,201,520,865	2.600
2007	16,219,600	1,293,637,300	461,700	58,700	414,021,700	16,415,000	55,985,700	1,806,799,700	9,629,061	1,816,428,761	1,332,411,739	2.590
2008	16,022,300	1,306,857,100	461,700	77,600	414,891,500	16,415,000	65,335,700	1,820,060,900	8,579,643	1,828,640,543	1,776,450,558	2.593
2009	21,081,300	1,303,560,800	-	22,300	418,746,700	14,937,800	65,335,700	1,823,686,600	8,783,222	1,832,469,822	1,939,954,414	2.596
2010	25,755,500	1,309,928,300	5,900		417,357,200	14,767,800	65,002,400	1,832,817,100	8,987,707	1,841,804,807	1,792,755,135	2.721
2011	22,004,300	1,314,451,600	497,300		413,148,450	14,498,100	63,959,500	1,828,559,250	9,357,481	1,837,916,731	1,460,729,319	2.721
2012	22,470,800	1,315,688,800			463,295,800	18,960,500	64,816,500	1,885,232,400	9,613,329	1,894,845,729	1,299,884,936	2.815

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests the Municipality to do so.

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100 of assessed valuation

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN (10) FISCAL YEARS
(UNAUDITED)

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Ewing Township School District Direct Rate		Debt Service Operations - Overlapping Rates		Total Direct and Overlapping Tax Rate
	Local School	Municipality of Ewing	County of Mercer		
2003	2.360	0.460	0.810	3.630	
2004	2.400	0.510	0.870	3.780	
2005	2.510	0.520	0.910	3.940	
2006	2.600	0.730	0.930	4.260	
2007	2.590	0.860	0.890	4.340	
2008	2.593	0.887	1.008	4.597	
2009	2.596	0.894	1.107	4.597	
2010	2.721	1.103	1.110	4.934	
2011	2.721	1.500	1.022	5.281	
2012	2.815	1.232	1.060	5.107	

Source: Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy .
The levy when added to other components of the district's net budget may not exceed the
prebudget year net budget by more than the spending growth limitation calculated as
follows: the prebudget year net budget increased by the cost of living or 2.5 percent,
whichever is greater, plus any spending growth adjustments.

The district's basic tax rate is calculated from the A4F form which is submitted with the
budget and the Net valuation taxable.

a Rates for debt service are based on each year's requirements.

c Tax rates are per \$100 of assessed valuation.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Taxpayer	2012				2003			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
New Jersey Manufacturers Insurance Company	\$ 47,037,200	1	2.48%		\$ 47,037,200	1	2.69%	
Ewing Properties/Hilton Mgmt	21,597,000	2	1.14%					
Ewing 95, LLC	20,800,000	3	1.10%					
Pfizer, Inc.	18,529,900	4	0.98%					
Mountainview Office Park, LLC	15,677,100	5	0.83%					
Princeton South Investors	14,800,000	6	0.78%					
Educational Testing Services	14,463,700	7	0.76%					
American Properties	13,578,500	8	0.72%					
Bell Atlantic/Verizon	13,568,702	9	0.72%					
Levin Properties	13,313,000	10	0.70%					
Bell Atlantic/Verizon					24,559,100	2	1.41%	
Mountainview Office Park					17,578,950	3	1.01%	
Educational Testing Service					16,713,700	4	0.96%	
Textron Financial Service					15,636,100	5	0.89%	
Levin Properties					12,600,000	6	0.72%	
Hilton Realty					11,529,600	7	0.66%	
River Edge Apartments					11,322,000	8	0.65%	
Halston Builders					11,000,000	9	0.63%	
Pfizer					2,000,000	10	0.11%	
Total	\$ 193,365,102		10.20%		\$ 169,976,650		9.73%	
Assessed Valuation Taxable	1,894,845,729				1,747,085,150			

Source: Municipal Tax Assessor

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
TAX LEVIES AND COLLECTIONS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	40,840,535	40,840,535	100.00%	N/A
2004	41,792,712	41,792,712	100.00%	N/A
2005	42,727,274	42,727,274	100.00%	N/A
2006	46,712,150	46,712,150	100.00%	N/A
2007	46,712,150	46,712,150	100.00%	N/A
2008	47,210,425	47,210,125	100.00%	N/A
2009	47,575,977	47,575,977	100.00%	N/A
2010	47,549,220	47,549,220	100.00%	N/A
2011	52,680,975	52,680,975	100.00%	N/A
2012	53,447,792	53,447,792	100.00%	N/A

Source: District records including the Certificate and Report of School Taxes (A4F form)

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

DEBT CAPACITY

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Total District		
2003	37,165,000	20,708,447	57,873,447	3.77%	1,601
2004	35,565,000	19,964,849	55,529,849	3.44%	1,555
2005	47,485,000	19,013,143	66,498,143	3.96%	1,786
2006	46,945,000	17,762,178	64,707,178	3.61%	1,753
2007	44,040,000	16,327,703	60,367,703	3.19%	1,652
2008	54,260,000	4,126,188	58,386,188	3.10%	1,619
2009	49,840,000	3,777,233	53,617,233	2.82%	1,475
2010	45,230,000	3,219,071	48,449,071	2.55%	1,373
2011	40,420,000	4,589,606	45,009,606	2.37%	1,258
2012	35,385,000	3,842,469	39,227,469	2.11%	1,097

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	37,165,000	-	37,165,000	2.13%	1,028
2004	35,565,000	-	35,565,000	2.02%	996
2005	47,485,000	-	47,485,000	2.66%	1,275
2006	46,945,000	-	46,945,000	2.61%	1,272
2007	44,040,000	-	44,040,000	2.45%	1,205
2008	54,260,000	-	54,260,000	3.02%	1,505
2009	49,840,000	-	49,840,000	2.77%	1,372
2010	45,230,000	-	45,230,000	2.40%	1,245
2011	40,420,000	-	40,420,000	2.20%	1,129
2012	35,385,000	-	35,385,000	1.87%	989

Notes:

Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Ewing	\$ 37,011,921	100.00%	\$ 37,011,921
County of Mercer	513,047,444	7.21%	36,990,721
Subtotal, overlapping debt			\$ 74,002,642
Township of Ewing District Direct Debt			35,385,000
Total direct and overlapping debt			<u>\$ 109,387,642</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Mercer County Board of Taxation.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.
This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Ewing Township. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
LEGAL DEBT MARGIN INFORMATION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2011	\$ 3,238,107,402
2010	3,246,797,343
2009	3,550,100,448
	<u>\$ 10,035,005,193</u>
	\$ 3,345,001,731
Average equalized valuation of taxable property	
Debt limit (4 % of average equalization value)	
Total Net Debt Applicable to Limit	133,800,069 ^a
Legal debt margin	<u>\$ 98,415,069</u>

	Fiscal Year									
	2003	2004	2005	2005	2006	2007	2008	2009	2010	2012
Debt limit	\$ 77,777,129	\$ 85,866,777	\$ 94,212,937	\$ 94,212,937	\$ 104,808,541	\$ 113,583,625	\$ 126,499,501	\$ 136,970,094	\$ 143,543,566	\$ 133,800,069
Total net debt applicable to limit	31,920,000	35,565,000	47,485,000	47,485,000	46,945,000	44,040,000	54,260,000	49,840,000	45,230,000	35,385,000
Legal debt margin	<u>\$ 45,857,129</u>	<u>\$ 50,303,777</u>	<u>\$ 46,727,937</u>	<u>\$ 46,727,937</u>	<u>\$ 57,863,541</u>	<u>\$ 69,543,625</u>	<u>\$ 72,239,501</u>	<u>\$ 87,130,094</u>	<u>\$ 98,313,566</u>	<u>\$ 98,415,069</u>
Total net debt applicable to the limit										
as a percentage of debt limit	41.04%	41.42%	50.40%	50.40%	44.79%	38.77%	42.89%	36.35%	31.51%	26.45%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

^a Limit set by NUSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2003	36,212	1,536,511,372	42,431	3.50%
2004	36,717	1,614,152,754	43,962	3.10%
2005	36,833	1,677,706,317	45,549	4.90%
2006	36,459	1,793,600,505	49,195	4.10%
2007	36,169	1,890,011,095	52,255	3.20%
2008	36,062	1,884,419,810	52,255	3.80%
2009	36,324	1,898,110,620	52,255	4.50%
2010	36,324	1,898,110,620	52,255	6.50%
2011	35,790	1,870,206,450	52,255	7.80%
2012	35,790	1,870,206,450	52,255	6.00%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2010 Population Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development prior year-end.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

<u>2012</u>			<u>2003</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
NOT AVAILABLE		1		
		2		
		3		
		4		
		5		
		6		
		7		
		8		
		9		
	-		N/A	

Source: Not Available

OPERATING INFORMATION

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular	322	326	309	307	303	301	308	305	239	237
Special education	7	7	5	5	8	9	9	9	65	62
Other special education	3	3	6	6	6	1	1	1		
Other instruction	27	27	29	29	27	29	54	54		
Adult/continuing education programs										
Support Services:										
Student & instruction related services	76	74	97	97	94	95	58	58	56	55
General administration	2	2	2	2	2	2	2	2	3	4
School administrative services	14	15	14	14	14	14	14	14	15	16
Plant operations and maintenance	51	51	47	47	41	41	43	43	46	49
Pupil transportation	2	2	2	2	2	2	2	2	2	2
Other support services	21	21	16	5	5	4	9	9	120	113
Food Service	22	22	21	22	22	23	23	23	25	24
Total	546	549	548	536	524	521	523	520	571	562

Source: District Personnel Records

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
OPERATING STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Attendance			
						Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2003	3,729	48,622,736	13,039	6.57%	330.50	10	10.5	10.6	3,729.0	3,654	0.13%	98.00%
2004	3,885	52,080,127	13,405	2.81%	328.00	10.1	10	11.1	3,730.0	3,655	0.03%	98.00%
2005	3,863	51,274,408	13,273	-0.99%	326.50	10.6	10	9.8	3,821.4	3,745	2.45%	98.00%
2006	3,908	53,648,725	13,728	3.43%	310.50	10.4	10	10.8	3,937.7	3,859	3.04%	98.00%
2007	3,865	53,861,805	13,864	0.99%	311.00	10.0	10.1	10.7	3,975.5	3,896	0.96%	98.00%
2008	3,979	58,053,586	14,590	5.24%	313.50	10.0	10.1	10.6	3,920.9	3,842	-1.37%	98.00%
2009	3,758	57,168,077	15,212	4.27%	317.00	10.1	10.0	10.7	3,753.9	3,679	-4.26%	98.00%
2010	3,777	59,205,170	15,675	3.04%	314.00	10.0	10.1	10.6	3,734.5	3,660	-0.52%	98.00%
2011	3,781	59,508,124	15,739	0.41%	304.00	10.2	10.0	10.7	3,706.0	3,530	-0.76%	95.25%
2012	3,703	61,673,620	16,655	5.82%	299.00	10.0	10.1	10.7	3,672.0	3,501	-0.92%	95.34%

Sources: District records

Note: Enrollment based on annual October district count as related in the Application for State School Aid (ASSA).

- ^a Operating expenditures equal total expenditures less debt service, capital outlay and scholarships.
^b Teaching staff includes only full-time equivalents of certificated staff.
^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
^d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
SCHOOL BUILDING INFORMATION
LAST NINE (9) FISCAL YEARS
(UNAUDITED)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>									
<u>Elementary</u>									
Antheil Elementary (1982):									
Square Feet	111,198	111,198	111,198	111,198	111,198	111,198	111,198	111,198	111,198
Capacity (students)	886	886	886	886	886	886	886	886	886
Enrollment	706	715	715	688	734	729	729	729	729
Lore Elementary (1954):									
Square Feet	71,571	71,571	71,571	71,571	71,571	71,571	71,571	71,571	71,571
Capacity (students)	839	839	839	839	839	839	839	839	839
Enrollment	614	621	621	583	537	528	528	528	528
Parkway Elementary (1954):									
Square Feet	67,417	67,417	67,417	67,417	67,417	67,417	67,417	67,417	67,417
Capacity (students)	534	534	534	534	534	534	534	534	534
Enrollment	499	505	505	472	458	461	461	461	461
<u>Middle School</u>									
Fisher Middle School (1960):									
Square Feet	157,085	157,085	157,085	157,085	157,085	157,085	157,085	157,085	157,085
Capacity (students)	970	970	970	970	970	970	970	970	970
Enrollment	958	969	969	941	916	877	877	877	877
<u>High School</u>									
Ewing High School (1950):									
Square Feet	202,755	202,755	202,755	202,755	202,755	202,755	202,755	202,755	202,755
Capacity (students)	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435
Enrollment	1,086	1,098	1,098	1,091	1,113	1,139	1,139	1,139	1,139
<u>Other</u>									
Gusz Building (1979):									
Square Feet	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156
Ryan Administration (1946):									
Square Feet	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914
Enrollment									12

Number of Buildings at June 30, 2012
 Elementary Schools = 3
 Middle School = 1
 High School = 1
 Other = 2

Source: District Facilities Office

Note: Enrollment is based on the average daily enrollment (ADE).

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF REQUIRED MAINTENANCE
FOR SCHOOL FACILITIES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

	* School Facilities Project # (s)	Antheil	Lore	Parkway	Fisher Middle	Ewing High School	Total
2003	N/A	85,499	60,669	52,250	118,749	161,499	478,666
2004	N/A	155,604	100,152	94,339	219,816	283,724	853,635
2005	N/A	104,435	67,218	63,316	143,460	190,422	568,851
2006	N/A	99,651	64,139	60,417	140,774	181,702	546,683
2007	N/A	155,604	100,152	94,339	219,816	283,724	853,635
2008	N/A	141,798	91,266	85,969	200,313	258,551	777,897
2009	N/A	148,958	95,874	90,310	210,426	271,604	817,172
2010	N/A	164,447	105,844	99,702	225,899	299,848	895,740
2011	N/A	165,775	106,699	100,506	234,184	302,270	909,434
2012	N/A	170,749	109,900	103,521	241,210	311,338	936,718
Total School Facilities		\$ 1,319,303	\$ 854,788	\$ 800,279	\$ 1,847,415	\$ 2,411,180	\$ 7,232,965

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
INSURANCE SCHEDULE
JUNE 30, 2012
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>
Commercial Property Coverages:	
Property and auto physical damage	\$ 250,000,000
Boiler Machinery	100,000,000
General and auto liability	5,000,000
Comprehensive Crime Coverage:	
Money and securities	50,000
Blanket Dishonesty Bond	
Including Faithful performance	
Each person	100,000
Per Loss	500,000
Computer Fraud	50,000
Forgery	50,000
Excess Liability	
General and auto liability	5,000,000
School Leaders professional liability	5,000,000
Workers Compensation:	Statutory
Employers Liability	5,000,000
School Leaders Professional Liability	5,000,000/5,000,000
Environmental Impairment Liability	1,000,000/25,000,000
Public Office Bonds:	
Board Secretary	128,000
Board Treasurer	360,000

Source: District records.

SINGLE AUDIT SECTION

350 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Education
Township of Ewing Board of Education
County of Mercer, New Jersey

We have audited the financial statements of the Board of Education of the Township of Ewing School District, County of Mercer, State of New Jersey, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township of Ewing School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Ewing School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Ewing School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Ewing School District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Township of Ewing School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

This report is intended solely for the information of the Board of Education of the Township of Ewing School District and its management, the New Jersey State Department of Education (the cognizant audit agency) and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912


SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 18, 2012

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR FEDERAL OR STATE PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04**

The Honorable President and Members
of the Board of Education
Township of Ewing Board of Education
County of Mercer, New Jersey

Compliance

We have audited the compliance of the Township of Ewing Board of Education, in the County of Mercer, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012. The Township of Ewing, Board of Education's major federal and state programs are identified in the Summary of Auditor's Results Section of the Accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Township of Ewing Board of Education's management. Our responsibility is to express an opinion on the Township of Ewing Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards, OMB Circular A-133 and New Jersey OMB's Circular Letter 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township of Ewing Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township of Ewing Board of Education's compliance with those requirements.

In our opinion, the Township of Ewing Board of Education, in the County of Mercer, State of New Jersey complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR FEDERAL OR STATE PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04 (CONTINUED)**

Internal Control Over Compliance

The management of the Township of Ewing Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants that could have a direct and material effect on federal and state programs. In planning and performing our audit, we considered the Township of Ewing Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Ewing School District's internal control over compliance.

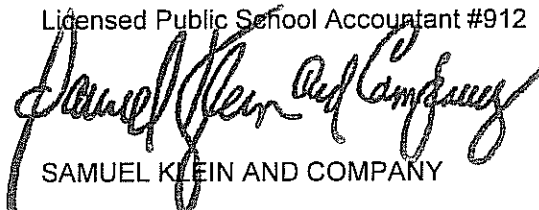
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to material weaknesses, as defined above. The Township of Ewing School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Township of Ewing School District's response and, accordingly, express no opinion on it.

This report is intended for the information and use of the Board of Education of the Township of Ewing and its management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912


SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 18, 2012

BOARD OF EDUCATION
EWING TOWNSHIP - COUNTY OF MERCER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Due to Grantor	June 30, 2011		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2012	
			From	To		Deferred Revenue	(Accounts Receivable)					(Accounts Receivable)	Deferred Revenue
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
Food Distribution Program	10.550	\$ 67,603.00	7/1/2010	- 6/30/2011		\$ 16,634.14		\$ 100,659.94	\$ (16,634.14)			\$ 12,286.40	
Food Distribution Program	10.550	100,659.94	7/1/2011	- 6/30/2012				\$ 32,656.32	(88,371.54)				
National School Lunch Program	10.555	497,092.78	7/1/2010	- 6/30/2011		\$	(32,656.32)						
National School Lunch Program	10.555	557,869.68	7/1/2011	- 6/30/2012				523,522.24	(557,869.68)		\$	(34,347.44)	
Breakfast Program	10.553	56,322.14	7/1/2010	- 6/30/2011			(4,908.48)	4,908.48					
Breakfast Program	10.553	69,581.39	7/1/2011	- 6/30/2012				63,924.04	(69,581.39)			(5,657.35)	
Total Enterprise Fund						\$ 16,634.14	\$ (37,564.90)	\$ 725,671.02	\$ (732,456.75)		\$	(40,004.79)	\$ 12,286.40
U.S. Department of Education													
Passed - Through State Department of Education:													
Special Revenue Fund:													
Title I	84.010	\$ 310,727.00	9/1/2006	- 8/31/2007	\$ 1,820.50						\$	(1,820.50)	
Title I	84.010	398,586.00	9/1/2008	- 8/31/2009				\$ 9,277.00					
Title I	84.010	479,163.00	9/1/2010	- 8/31/2011		\$ 16,693.90			\$ (139,949.92)		\$	(121,156.02)	
Title I	84.010	450,388.00	9/1/2011	- 8/31/2012				288,650.00	(349,181.68)			(60,531.68)	
ARRA Title I, Part A	84.369A	311,621.00	9/1/2009	- 8/31/2010			(91,595.04)	259,922.00	(41,226.96)				\$ 127,100.00
Title I School Improvement	84.010	44,215.00	9/1/2010	- 8/31/2011				25,014.00	(32,115.41)			(7,101.41)	
Title IIA	84.367A	99,580.00	9/1/2006	- 8/31/2007	2,427.00						(2,427.00)		
Title IIA	84.367A	105,410.00	9/1/2008	- 8/31/2009			(9,991.14)	14,553.00					4,561.86
Title IIA	84.367A	111,681.00	9/1/2009	- 8/31/2010			(51,283.00)	41,392.00	(50.00)	\$ (4.00)		(9,945.00)	
Title IIA	84.367A	113,467.00	9/1/2010	- 8/31/2011			(64,016.28)	97,760.00	(25,871.72)				8,072.00
Title IIA	84.367A	92,435.00	9/1/2011	- 8/31/2012				92,435.00	(75,797.71)				16,637.29
Title IID	84.238D	2,040.00	9/1/2007	- 8/31/2008	0.10						(0.10)		
Title IID	84.238D	3,311.00	9/1/2008	- 9/1/2009			(1,600.60)		1,600.60				
Title IID	84.238D	4,433.00	9/1/2009	- 9/1/2010			(1,135.74)	3,068.00	(3,297.26)			(189.00)	
Title IID	84.238D	1,195.00	9/1/2010	- 9/1/2011									
Title III	84.281	22,154.00	9/1/2008	- 8/31/2009			(355.00)	356.00					
Title III	84.281	16,368.00	9/1/2009	- 8/31/2010			(5,878.00)	5,878.00					
Title III	84.281	27,473.00	9/1/2010	- 8/31/2011			(24,425.34)	24,586.00	(159.66)				
Title III	84.281	19,946.00	9/1/2011	- 8/31/2012				16,920.00	(10,255.43)				9,664.57
Title III Immigrant	84.011A	25,614.00	9/1/2007	- 8/31/2008	831.68						(831.68)		
Title III Immigrant	84.011A	19,283.00	9/1/2011	- 8/31/2012				6,244.00	(7,009.00)			(765.00)	
Title V	84.298	5,972.00	9/1/2005	- 8/31/2007	175.04						(175.04)		
Title IV	84.166	10,249.00	9/1/2008	- 8/31/2009			(6,795.99)	7,078.00					\$ 279.01
Title IV	84.166	14,143.00	9/1/2007	- 8/31/2008	7,144.90						(7,144.90)		

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

BOARD OF EDUCATION
EWING TOWNSHIP - COUNTY OF MERCER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Due to Grantor	June 30, 2011		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2012	
			From	To		Deferred Revenue	(Accounts Receivable)					(Accounts Receivable)	Deferred Revenue Due to Grantor
U.S. Department of Education (Continued):													
Passed - Through State Department of Education (Continued):													
Special Revenue Fund (Continued):													
Title IV	84.186	\$ 10,683.00	9/1/2009	- 8/31/2010		\$ (5,745.00)	\$ 5,755.00	\$ (10.00)					
I.D.E.A. Part B, Basic Regular	84.027	1,002,559.00	9/1/2009	- 8/31/2010		(50.00)		\$ 50.00					
I.D.E.A. Part B, Basic Regular	84.027	1,004,593.00	9/1/2010	- 8/31/2011		(806,660.06)	1,004,593.00	(156,760.24)	(41,172.70)				
I.D.E.A. Part B, Basic Regular	84.027	1,037,363.00	9/1/2011	- 8/31/2012			721,299.00	(1,004,730.82)		\$ (283,431.82)			
ARRA IDEA Basic	84.391A	491,503.00	9/1/2009	- 8/31/2010		(214,082.03)	253,853.00	(39,770.97)					
I.D.E.A. Part B, Preschool	84.173	38,157.00	9/1/2009	- 8/31/2009	\$ 84.43					(84.43)			
I.D.E.A. Part B, Preschool	84.173	37,997.00	9/1/2009	- 8/31/2010			36,997.00	(36,997.00)					
I.D.E.A. Part B, Preschool	84.173	39,327.00	9/1/2010	- 8/31/2011		(1,146.98)	33,127.00	(9,420.53)			\$ 22,559.49		
I.D.E.A. Part B, Preschool	84.173	39,491.00	9/1/2011	- 8/31/2012				(22,721.91)		\$ (22,721.91)			
ARRA IDEA Preschool	84.392	34,965.00	9/1/2009	- 8/31/2010		(27,863.30)	34,965.00	(7,081.70)					
Emergency Response Plans	84.184	66,451.00	9/1/2003	- 8/31/2004	1,199.00					(1,199.00)			
Teaching American History	N/A	938,462.00	10/1/2005	- 9/30/2008		(375.00)				375.00			
Total Special Revenue Fund					\$ 12,399.22	\$ 19,977.33	\$ (1,322,300.50)	\$ 2,866,722.00	\$ (1,962,296.92)	\$ (39,069.53)	\$ (12,399.22)	\$ (505,841.84)	\$ 168,595.21
General Fund:													
Medical Assistance Program	93.778	\$ 84,504.21	7/1/2011	- 6/30/2012			\$ 46,706.67	(84,504.21)			\$ (37,797.54)		
Medical Assistance Program	93.778	84,665.92	7/1/2010	- 6/30/2011		\$ (48,673.47)	48,673.47						
Education Jobs Fund	84.410	357,339.00	9/1/2011	- 6/31/2012			357,339.00	(357,339.00)					
Total General Fund						\$ (48,673.47)	\$ 452,719.14	\$ (441,843.21)			\$ (37,797.54)		
Total Federal Financial Assistance					\$ 12,399.22	\$ 36,611.47	\$ (1,408,538.77)	\$ 4,165,112.16	\$ (3,136,566.88)	\$ (39,069.53)	\$ (12,399.22)	\$ (583,644.17)	\$ 200,893.61
													\$ 279.01

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

BOARD OF EDUCATION
ELYING TOWNSHIP, COUNTY OF MERCER
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2011		Cash Received	Budgetary (Expenditures)	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2012		MEMO	
				(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Categorical Special Education Aid	12-495-034-5120-089	2,063,730.00	7/1/2011 - 6/30/2012			\$ 2,063,730.00	\$ (2,063,730.00)					\$ (161,425.90)	\$ 2,063,730.00
Categorical Security Aid	12-495-034-5120-084	50,199.00	7/1/2011 - 6/30/2012			50,199.00						(3,926.69)	
Equalization Aid	12-495-034-5120-078	6,654,928.00	7/1/2011 - 6/30/2012			6,654,928.00	(6,141,938.00)					(520,564.41)	6,141,938.00
Extraordinary Aid	11-495-034-5120-044	158,731.00	7/1/2010 - 6/30/2011	\$ (158,731.00)		158,731.00							
Extraordinary Aid	12-495-034-5120-044	205,219.00	7/1/2011 - 6/30/2012				(205,219.00)			\$ (205,219.00)			205,219.00
On-Behalf TPAF Pension Contributions	12-495-034-5095-001	799,592.00	7/1/2011 - 6/30/2012			799,592.00	(799,592.00)						799,592.00
TPAF Social Security Contributions	12-495-034-5095-002	1,935,549.42	7/1/2011 - 6/30/2012			1,935,549.42	(1,935,549.42)						1,935,549.42
TPAF Medical Security Contributions	12-495-034-5095-002	1,607,392.00	7/1/2011 - 6/30/2012			1,607,392.00	(1,607,392.00)						1,607,392.00
Non Public Transportation	11-495-034-5120-014	35,139.95	7/1/2010 - 6/30/2011	(35,139.95)		35,139.95							
Non Public Transportation	12-495-034-5120-014	42,639.23	7/1/2011 - 6/30/2012				(42,639.23)				(42,639.23)		42,639.23
Total General Fund				\$ (193,870.95)		\$ 13,395,261.37	\$ (12,796,119.65)			\$ (247,869.23)		\$ (665,921.00)	\$ 12,796,119.65
Capital Projects Fund:													
SDA Grant:													
High School Improvements	1430-050-10-1001	19,692.00	7/1/2011 - 6/30/2012	\$ (6,110.76)			\$ (4,303.76)			\$ (1,807.00)		\$	1,807.00
Middle School Auditorium Renovations	1430-060-10-1002	750,000.00	7/1/2011 - 6/30/2012	(223,404.60)			(377,470.50)			(600,875.16)			600,875.16
Elementary Improvements - Lore	1430-105-10-1003	102,000.00	7/1/2011 - 6/30/2012	(15,023.53)			(10,269.53)			(4,754.00)			4,754.00
Elementary Improvements - Anell	1430-140-10-1004	14,156.00	7/1/2011 - 6/30/2012	(6,004.65)			(8,151.34)			(14,156.00)			14,156.00
District Wide Improvements	N/A	43,760.00	7/1/2011 - 6/30/2012	(43,760.00)						(43,760.00)			43,760.00
Total Capital Projects Fund				\$ (294,323.55)		\$	(395,621.92)	\$ (14,573.29)		\$ (665,372.16)		\$	665,372.16

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
EWING TOWNSHIP, COUNTY OF MERCER
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2011		Cash Received	Budgetary (Expenditures)	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2012		MEMO		
				(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
Special Revenue Fund:														
Home Therapy	N/A	\$ 3,400.00	7/1/2007 - 6/30/2008	\$ (3,400.00)			\$ 3,400.00							
N.J. Nonpublic Aid:														
Textbook Aid	11-495-034-5120-064	18,303.00	7/1/2010 - 6/30/2011	\$ 53.80				\$ 53.80						
Textbook Aid	12-495-034-5120-064	13,980.00	7/1/2011 - 6/30/2012		\$ 13,980.00	\$ (13,807.84)				\$ 172.16	\$		\$ 13,807.84	
Nursing	12-100-034-5120-070	25,657.00	7/1/2011 - 6/30/2012		19,968.00	(19,968.00)							19,968.00	
Auxiliary Services:														
English as a Second Language	12-100-034-5120-067	4,310.00	7/1/2011 - 6/30/2012		4,310.00	(3,017.00)				1,293.00			3,017.00	
Compensatory Education	11-100-034-5120-067	68,596.26	7/1/2010 - 6/30/2011	8,226.83					8,226.83					
Compensatory Education	12-100-034-5120-067	75,234.00	7/1/2011 - 6/30/2012		75,234.00	(56,802.06)				18,431.94			56,802.06	
Classification	12-100-034-5120-068	20,931.00	7/1/2011 - 6/30/2012		20,931.00	(20,931.00)							20,931.00	
Corrective Speech	12-100-034-5120-066	17,377.00	7/1/2011 - 6/30/2012		17,377.00	(10,025.73)				7,351.27			10,025.73	
Supplementary Instruction	12-100-034-5120-066	11,224.00	7/1/2011 - 6/30/2012		11,224.00	(3,998.55)				7,225.45			3,998.55	
Total Special Revenue Fund				\$ (3,400.00)	\$ 8,280.73	\$ 163,024.00	\$ (128,550.18)	\$ 3,400.00	\$ 8,280.73	\$ 34,473.82	\$		\$ 128,550.18	
Debt Service Fund:														
Debt Service Aid Type II	12-100-034-5120-125	\$ 798,994.00	7/1/2011 - 6/30/2012		\$ 798,994.00	\$ (798,994.00)					\$		\$ 798,994.00	
Total Debt Service Fund					\$ 798,994.00	\$ (798,994.00)					\$		\$ 798,994.00	
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	11-100-010-3350-023	\$ 15,868.90	7/1/2010 - 6/30/2011	\$ (1,096.17)		\$ 1,096.17								
State School Lunch Program	12-100-010-3350-023	17,180.17	7/1/2011 - 6/30/2012			16,146.51	\$ (17,180.17)				\$ (1,033.66)		\$ 17,180.17	
Total Enterprise Fund				\$ (1,096.17)		\$ 17,242.68	\$ (17,180.17)				\$ (1,033.66)		\$ 17,180.17	
Total State Financial Assistance														
				\$ (492,660.67)	\$ 8,280.73	\$ 14,284,522.05	\$ (14,126,465.93)	\$ (11,173.29)	\$ 8,280.73	\$ 34,473.82	\$ (914,264.07)	\$ 34,473.82	\$ (695,921.00)	\$ 14,409,216.16

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
TOWNSHIP OF EWING SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2012

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Ewing School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules or expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations* and NJ OMB Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two (2) state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

**BOARD OF EDUCATION
TOWNSHIP OF EWING SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2012**

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$96,381.00 for the General Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 441,843.21	\$ 13,264,060.65	\$ 13,705,903.86
Special Revenue Fund	1,968,143.91	128,550.18	2,096,694.09
Debt Service Fund		798,994.00	798,994.00
Food Service Fund	<u>728,111.01</u>	<u>17,180.17</u>	<u>745,291.18</u>
	<u>\$ 3,138,098.13</u>	<u>\$ 14,208,785.00</u>	<u>\$ 17,346,883.13</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans outstanding payable to federal or state entities at June 30, 2012.

6. OTHER

The amount reported as TPAF Pension Contributions and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share social security contributions for TPAF members for the year ended June 30, 2012.

**BOARD OF EDUCATION
TOWNSHIP OF EWING SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified, dated
December 18, 2012

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes x no
2. Reportable condition(s) identified that are
not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to basic financial
statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? _____ yes x no
2. Reportable condition(s) identified that are
not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for major programs: Unqualified, dated
December 18, 2012

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of Circular A-133? _____ yes x no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B
84.010	Title I
10.550, 10.553, 10.555	National School Lunch & Breakfast
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? _____ yes X no

**BOARD OF EDUCATION
TOWNSHIP OF EWING SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$423,793.98

Internal control over major programs:

1. Material weakness(es) identified? yes x no
2. Reportable condition(s) identified that are not considered to be material weaknesses? yes x none reported

Type of auditor's report issued on compliance for major programs: Unqualified, dated December 18, 2012

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? yes x no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program or Cluster</u>
<u>12-495-034-5120-011</u>	<u>Categorical Special Education Aid</u>
<u>12-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>12-100-034-5120-125</u>	<u>Debt Service</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>Various - 1430</u>	<u>SCC Capital Projects Aid</u>

Auditee qualified as low-risk auditee? X yes no

Section II - Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

**Section III - Schedule of State Financial Assistance
Findings and Questioned Costs**

No federal and state award findings or questioned costs noted that are required to be reported in accordance with OMB Circular A-133 and NJ OMB Circular Letter 04-04.

BOARD OF EDUCATION
TOWNSHIP OF EWING SCHOOL DISTRICT
COUNTY OF MERCER
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012

FOR THE YEAR ENDED JUNE 30, 2011:

There were no findings for the year ended June 30, 2011.